



# Office of the Governor

February 10, 2010

The closing of the Pioneer Avenue Safeway store is an unfortunate development which impacts its customers and employees. It should not be a vehicle for public relations battles.

The parent company's recent assertion that the closure was prompted by the State of Wyoming's interest in purchasing the property is simply wrong.

More than five years ago Safeway initiated the discussion that led to the sale of the Pioneer Avenue grocery store in Cheyenne. On Aug. 31, 2004, a broker working for Safeway contacted the State. In a follow up letter on Sept. 24, 2004, the broker wrote, "Safeway is interested in discussions concerning the sale of their Pioneer Ave. property. Please advise if this is something the State of Wyoming would like to pursue."

The State was interested in acquiring additional property near the Capitol and pursued negotiations with the broker through Jan. 2006.

On Aug. 18, 2009, another broker representing Safeway informed the State that the Safeway building and property was on the market with a firm price of \$3 million. The broker indicated there were other potential buyers interested in the property.

The State negotiated a purchase price of \$2.6 million after Safeway indicated it was closing the grocery store. The sale was finalized in January of 2010.

We agree with the Legislature that it is prudent to purchase property around the Capitol when it becomes available and when a fair price can be negotiated. That was the case with the purchase of the Safeway property.

While we appreciate and regret the difficulty this closure may present, it was a decision reached by Safeway.

Dave Freudenthal  
Governor

Max Maxfield  
Secretary of State

Rita Meyer  
State Auditor

Joe Meyer  
State Treasurer

Jim McBride  
Superintendent of Public Instruction



September 24, 2004

Rich Cathcart  
State of Wyoming  
Construction Management Administrator  
1920 Thomes Avenue  
Cheyenne, Wyoming 82002

Dear Rich,

Pursuant to our telephone conversation of August 31, 2004, wherein I suggested to you that, because Safeway Inc.'s plans for building a new store at 25<sup>th</sup> Street and Pioneer Avenue had been in limbo for some time, they may be interested in selling said property. In a follow-up meeting with representatives of Safeway Inc., they related that if they could acquire a property somewhere along Pershing Boulevard between Central Avenue and Converse Boulevard to replace the downtown store, they would certainly consider selling the Pioneer Avenue property. I have identified several locations that are of interest to them and that we feel are workable. Safeway is interested in discussions concerning the sale of their Pioneer Avenue property. Please advise if this is something the State of Wyoming would like to pursue.

Sincerely,

Vince Osborn  
Associate Broker  
#1 Properties



August 18, 2009

Rich Cathcart  
Administrator  
State of Wyoming  
Department of Administration & Information  
GSD / Construction Management  
700 West 21<sup>st</sup> Street  
Cheyenne, Wyoming 82002

I have been authorized by Safeway, Inc. to inform you that the property located at: 2512 Pioneer Ave., Cheyenne, Wyoming, more particularly described as: Lot 1 Block 1 of Downtown Safeway in Cheyenne, Wyoming is available for sale, if a mutually acceptable transaction can be negotiated. The terms shall include a provision that allows Safeway to remain on the premises to continue operations with terms agreeable to both parties.

The property is being offered at \$3,000,000, and is comprised of a total of 151,589 square feet (3.48 acres), including the vacated section of Thomes Ave.

In January of 2006 the State of Wyoming expressed interest in this property (less the vacated Thomes Ave.); however, Safeway was unable to advance those discussions at that time.

Please contact me at your earliest convenience regarding the States' interest in acquiring this property. If there is interest in moving forward, the next step would be for a meeting to take place between the State of Wyoming and Safeway, Inc.

As discussed previously, Safeway has requested that this potential transaction be kept Confidential. By way of information conveyed by me to Safeway, they are cognizant of the process you require to obtain the necessary approvals to move forward. Safeway requests that those individuals with whom the contents of this letter are discussed are made aware of this desire for Confidentiality.

Jim Weaver  
Realtor, #1 Properties

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