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Macy's, Shopko and Dollar General to Open Stores

By VICKI M. YOUNG

While specialty chains last quarter spoke of store closures, two retail channels — department stores and discounters — instead are opening stores.

Macy's Inc., which previously said it will open five stores, on Wednesday revealed the locations, with Salt Lake City and Greendale, Wis., both slated to open in March. Two stores are due to open in 2013 — Victorville, Calif., and Gurnee, Ill. — and one in Bronx, N.Y., could open either in fall 2013 or spring 2014.

As part of its store performance review, Macy's is set to close five stores by the end of March: one each in Topeka, Kan.; Laurel, Md.; Parma, Ohio; Antioch, Tenn., and Texas City, Tex.

Macy's will operate 805 stores in 45 states, the District of Columbia, Puerto Rico and Guam once the store openings and closures are complete.

Macy's Bloomingdale's operation is planning one new store in Glendale, Calif., for 2013, but will close four stores in early spring of this year. The stores identified for closure are located in Atlanta; Oak Brook, Ill.; Bethesda, Md., and Bloomington, Minn.

A new Bloomingdale's store will be built in the Stanford Shopping Center in Palo Alto, Calif., pending the public approval process, to replace an existing store. In addition, there will be five new Bloomingdale's Outlet stores opening in 2012 to add to the current seven-unit count: Livermore, Calif.; Merrimack, N.H.; Westbury, N.Y.; Dallas, and Grand Prairie, Tex.

In the discount channel, Shopko Stores said it "plans to accelerate the addition of Shopko Hometown stores in the second half of 2012 and into 2013. It didn't say how many would be opened, but said it wouldn't happen until after Shopko Stores merges with Pamida and converts the latter's nameplate into the Shopko Hometown store format. Once those conversions are completed, the Pamida name will cease to exist.

Shopko Stores and Pamida issued a joint statement Wednesday saying the two will merge to create one of the largest U.S. discount chains serving smaller and rural communities. Financial details of the merger, expected to close in mid-February, were not disclosed. Because the two are each owned by affiliates of Sun Capital Partners, the merger is more an internal operational restructuring.

The combined company will be headquartered in Green Bay, Wis., the original headquarters of Shopko. Shopko's chairman, president and chief executive officer, W. Paul Jones, will head the merged entity. Pamida president and ceo John Harlow will serve on the leadership team and help direct the integration process.

Shopko purchased the Omaha-based Pamida chain in 1999. An affiliate of Sun acquired Shopko in 2005, outbidding its private equity competitor Goldner Hawn Johnson & Morrison. Eventually the two nameplates became separate operating companies again. Prior to Sun taking the discounter private, Shopko was publicly traded on the New York Stock Exchange.

Under the current game plan, \$80 million will be invested over the next 12 months to convert the Pamida stores, which range from 15,000 to 35,000 square feet. There will be no change to the Shopko stores.

Jones said, "Merging Pamida and Shopko is a great move for our businesses and our customers, given our complementary strengths, store networks and consumer-centric retail models."

Shopko's annual volume is \$2 billion on an operation of 149 stores in 13 states throughout the Midwest, Mountain and Pacific Northwest regions. The Pamida business has an annual volume of \$1 billion based on a 193-unit store count in 17 states in the Mountain, North Central and Midwest locales.

Dollar General Corp. is the other discounter set to open more stores. It said Wednesday it is creating more than 1,300 jobs in Southern and Central California with the opening of 50 stores and a distribution center this year. Those details are part of the Goodlettsville, Tenn.-based discounter's overall plan to open 625 stores and create more than 6,000 new stores this year, disclosed on Tuesday.

The new Dollar General stores will be spread among its 38-state operating area, with the addition of new markets in California and Massachusetts. In addition to the 625 new units, the discounter plans to remodel or relocate 550 stores. It currently operates more than 9,800 stores in 38 states.

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