



**FOR IMMEDIATE RELEASE
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Kroger Completes Purchase of Former Colonial Heights Courthouse; New Store to Open in Early 2017

The City of Colonial Heights announced today the long-anticipated acquisition of the former city courthouse site at 401 Temple Avenue by Kroger for the construction of a new grocery store, the first of its kind in the Tri-Cities area. The transaction included a purchase price for the property of \$2.56M, although it also includes a number of additional commitments by Kroger for public improvements and substantial financial investment.

This sale is believed to represent the largest amount ever paid to the City for the sale of public property to a private interest.

“This is an exciting opportunity for the City of Colonial Heights and the Tri-Cities Area as this economic development initiative will bring new life to a business corridor, new jobs to our community, and new revenue to initiate currently unfunded capital projects”, said Colonial Heights Mayor T. Gregory Kochuba.

In early 2013, Kroger Mid-Atlantic and the City Council executed a Development Agreement approving a plan for acquisition of the former courthouse site and the construction of one of Kroger’s largest, full-service stores. The Colonial Heights Kroger will be approximately 95,000 square feet and will include, but not be limited to, a pharmacy, organics, natural foods, bakery/deli, fuel center, and other services.

As part of the Development Agreement, Kroger is committed to a minimum local investment of \$8,000,000 in the construction of the new store and acquisition of new personal property. Kroger will also create at least two hundred (200) new jobs in Colonial Heights, including forty (40) full-time equivalent positions.

The new store will be Kroger's 19th in the region following the Iron Bridge Marketplace store opening in Chesterfield County. It further illustrates Kroger Mid-Atlantic's continued investment in the region and aligns nicely with the city's commitment to boosting revenue for Colonial Heights.

"We're excited to deliver the Kroger experience to new customers in the Tri-Cities Area," said Joe Fey, Kroger Mid-Atlantic president. "We're grateful for our partnership with the City of Colonial Heights and we're looking forward to serving the community here."

Currently, the Southpark Mall area is the central hub for shopping and commerce in the Tri-Cities Area. The Colonial Heights Kroger will be the first grocer to build on the west side of Interstate 95, allowing for easier access and less traffic for customers in Colonial Heights, as well as those coming from surroundings areas like Fort Lee, Hopewell, Petersburg, Prince George, Dinwiddie and others.

"This has certainly been a long journey for us bringing the City's partnership with Kroger to fruition," said Colonial Heights City Manager Tom Mattis. "Their project will not only bring new services to our community but will also create jobs and much-needed new revenue in support of city taxpayers. I'm very excited to be part of it."

Kroger anticipates that it will begin initial site work and demolition of the existing building by March, 2016. Kroger expects that the new grocery store will be open for business no later than April, 2017.

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About The Kroger Co.

The Kroger Mid-Atlantic division operates 122 stores in the region which includes North Carolina, Virginia, West Virginia, and part of Kentucky, Tennessee and Ohio. The Kroger Co., headquartered in Cincinnati, Ohio, focuses its charitable efforts on supporting hunger relief, health and wellness initiatives and local organizations in the communities it serves. For more information about Kroger, please visit www.kroger.com.

About the City of Colonial Heights

The City of Colonial Heights is a full-service independent Virginia city that is home to just over 17,000 residents and serves as the market center for the Tri-Cities Area (which includes the cities of Petersburg and Hopewell, Prince George and Dinwiddie Counties and Fort Lee). For more information about Colonial Heights, please visit www.colonialheightsva.gov.