

# A&P in Budd Lake closing, bidders fail so far

By PHIL GARBER Managing Editor | Posted: Monday, November 2, 2015 3:00 am

**MOUNT OLIVE TWP.** – Two bids have failed to result in a buyer for the bankrupt A&P supermarket off Naughtright Road and Route 46, leaving the future of the 16-year-old food market in limbo.

A banner outside the store on Friday announced the store closing along with signs noting sales of up to 40 percent. Inside, there were few customers scoping out the shelves that were sparse with food.

“A&P is completely done,” said Matthew P. Casey of MPC Associates of Harrisburg, Pa., a firm that does supermarket research and feasibility studies for food stores. “It won’t exist in another month.”

Casey said the Route 46 store will probably end up sold to a chain drug company or other non-food concern. He said the competition for shoppers has proven too strong for A&P, with ShopRites in Flanders, Netcong and Mansfield and Weis stores in Flanders and Mansfield. A&P closed its Flanders store in 2011 and the store was later sold to Weis. WalMart stores in Budd lake and Mansfield also have been concentrating more on their discount food sales.

“Everybody out there has analyzed the A&P, Pathmark and Walbaun chains,” said Casey, whose firm does supermarket research and feasibility stores for food stores. “If it hasn’t been spoken for yet, it probably won’t go to another supermarket. Between Weis and the surrounding ShopRites and WalMart, you would have to be nuts to open another supermarket in that market.”

A&P also owns Pathmark and Walbaun.

## *Workers’ Fate*

The Route 46 A&P manager declined to comment on the future of the 80 workers left at the store, down from a peak of about 150 employees.

A store employee said some of the workers would be released while others may be found positions with other food chains. United Food and Commercial Workers Local 464A, representing the unionized employees, is negotiating with A&P for its workers’ futures and a spokesman did not return several calls for comment.

The Great Atlantic & Pacific (A&P) chain opened its first discount store in Jersey City in 1912. The company filed for Chapter 11 bankruptcy on July 19 and the case is pending before U.S Bankruptcy



## Closing Down

The A&P food market in Mount Olive is closing as the company has filed for bankruptcy.

Court Judge Robert D. Drain.

A person close to the legal case who asked not to be identified because he was not authorized to comment, said there were no bids received on the first auction in bankruptcy court and the judge has deemed the second set of bids as inadequate. No date has been set for a subsequent auction.

The A&P shopping center in Mount Olive is owned by national Shopping Center Associates of Englewood Cliffs. The buildings are assessed at \$10,055,00 while the buildings and 28.76 acres are assessed at a total of \$18.5 million. The owners paid \$571,095 in property taxes this year.

Mayor Rob Greenbaum said it is uncertain if the property owners would file for a tax reduction based on the loss of economic value of the A&P.

More than 8,000 workers at stores in New Jersey and 10,000 more in five other states have been told they will be laid off as of Nov. 23, three days before Thanksgiving, according to a published report. The chain also has notified the state that it will be laying off 187 corporate employees at its Montvale headquarters on Dec. 18.

A&P has been represented in the bidding to sell its store by Evercore partners of New York City, an independent investment banking firm. An Evercore spokesman also did not return a call or email for comment.

The bidding in bankruptcy court has been led by a so-called “stalking horse” bidder. The bankrupt company chooses a bidder, known as a “stalking horse,” to make the first bid from a pool of bidders. Using the stalking horse allows the distressed company to avoid low bids on its assets.

After the stalking horse bids, other potential buyers may submit competing bids for the company’s assets. In essence, the stalking horse sets the bar so that other bidders can’t low-ball the purchase price, said an Internet report.