

Lakewood Minyard to be Whole Foods

Location reflects Dallas-area strategies of both grocery chains

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By MARIA HALKIAS / The Dallas Morning News

Whole Foods is moving into Lakewood, and Minyard is moving out.

Whole Foods Market Inc. will announce today that it has bought the Lakewood Minyard Food Store and will tear it down to make way for a 50,000-square-foot Whole Foods. The new store will replace the chain's original Dallas location on Lower Greenville Avenue.

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For both Whole Foods, based in Austin, and Coppell-based Minyard Food Stores Inc., the move reflects an expansion of the chains' Dallas strategies.

Sales at the Lakewood Minyard, which will close Feb. 6, had peaked, said Michael Byars, Minyard's chief executive.

"We're focusing on building up our Carnival chain, and Lakewood doesn't meet the demographics for turning that store into a Carnival," Mr. Byars said.

"Other companies also approached us," he said, "but with Whole Foods, it worked out to be a win-win for both of us."

The new Whole Foods is expected to open by the end of 2007 at Abrams Road and Gaston Avenue, across from the Lakewood Country Club.

That's just a few blocks from the 20,200-square-foot Whole Foods at 2218 Greenville Ave., which opened in 1986 and will close when the new store opens.

"Whole Foods is committed to its East Dallas customers, but we couldn't expand the existing location so we can offer our full selection," said Nona Evans, spokeswoman for the grocery chain.

Last month, Whole Foods opened a larger store and closed an older one across the street at Preston Road and Forest Lane in North Dallas.

It plans another store in 2008 at Park Lane and North Central Expressway.

Under evaluation

Over the next two months, Minyard will evaluate all stores under its three banners, including the discount Sack 'n Save, and some stores may close while others will be remodeled, Mr. Byars said.

Last fall, Minyard opened a flagship Carnival store on West Illinois Avenue in Oak Cliff that has attracted industry attention for its design and fresh food departments. It's closing the nearby Carnival on South Westmoreland Road next month.

Minyard also plans to build two more Carnivals in Fort Worth. This year, the Hispanic-focused Carnival will account for more stores than the namesake Minyard chain.

Minyard is also putting its Coppell distribution center, which employs 231 people, up for sale or lease. The decision will free up resources to put into the company's "growth vehicle," Carnival, Mr. Byars said.

Minyard will depend on Associated Wholesale Grocers, a \$5 billion-a-year grocery co-op based in Kansas City, to supply its 65 supermarkets.

Being part of the co-op will give Minyard better buying power, Mr. Byars said. Associated Wholesale is the oldest and second-largest retailer-owned grocery wholesaler in the U.S. It serves 1,900 supermarkets in 21 states.

Minyard's transition to the co-op should be complete next fall.

Mr. Byars said the 722,000-square-foot distribution center should be attractive to new owners because it is close to Dallas/Fort Worth International Airport and has a ready workforce familiar with it.

Minyard said it's offering the warehouse employees "incentives to stay on." Mr. Byars said the goal is to find a company that "will require the experience of our current associates to staff it."

Staying in Coppell

Minyard plans to remain in its Coppell headquarters.

The chain is also upgrading its systems, including a scheduling program that will put more employees in the stores during peak traffic times, a practice that is being adopted in all categories of retail.

Minyard is owned by a group of investors with ties to Fort Worth. The group acquired the 75-year-old chain from the Minyard family in late 2004.

The Minyard chain started in East Dallas during the Depression.

According to the company's official history, the first Minyard was opened in February 1932, when postal employee A.W. "Eck" Minyard purchased a store at 6011 Lindsley Ave. for \$1,200 so his younger brothers would have jobs.

H.C. "Henry" Minyard and M.T. "Buddy" Minyard opened the 540-square-foot clapboard store around the corner from their family's home.

Some Minyard-branded stores remain in East Dallas, but they're outnumbered now by the Carnival brand.

Whole Foods also has a history in East Dallas. Residents have worried that the pioneering chain would leave the area.

"We hope the neighborhood will be excited. The new store will have more parking spaces," which has been an issue on Greenville, Ms. Evans said.

Whole Foods tailors each store to fit into the neighborhood. For this one, Ms. Evans said, designers and architects need to move fast.

European influence

They've decided on a European feel and will head to Canada for faster inspiration, she said.

"We need to begin the design quickly. It's important to get it open by the end of the year. So we're going to get a taste of Europe in Montreal and Toronto."

After several years of strong growth, Whole Foods shares dropped about 40 percent in 2006. They fell \$1.45 Wednesday to \$45.48.