

Harrisonburg Kmart To Close **By CALEB SOPTELEAN**

February 25, 2014

Daily News-Record

HARRISONBURG — The Kmart store at 1835 E. Market St. will close in June after four decades in the Friendly City, according to a statement from the company. The store is one of about 100 the firm is set to close in the coming months. The Winchester Kmart also will close in the spring. It's not yet clear if the other area Kmart, in Waynesboro, also will be shuttered. A complete list of the stores to close has not been released by the company, and the number that Virginia will lose as a whole is not yet known.

“The [Harrisonburg] store is being closed because the lease was not renewed,” Howard Riefs, corporate communications director for Sears Holdings, which owns Kmart, said in a statement. “Store closures are part of a series of actions we’re taking to reduce ongoing expenses, adjust our asset base, and accelerate the transformation of our business model.”

A liquidation sale is set to begin March 16, he said.

The store has 79 employees. Those who are eligible “will receive severance and have the opportunity to apply for open positions at area Sears or Kmart stores,” Riefs said.

Kmart has over 1,200 stores nationwide, including more than 40 in Virginia.

Kmart has had financial difficulties over the years.

The company filed for Chapter 11 bankruptcy in 2002. Edward Lampert, a wealthy investor, bought the company out of bankruptcy a year later and purchased Sears, Roebuck & Co. in 2004 to try to better compete with Wal-Mart and other big box retailers. However sales continued to lag at the combined company, now known as the Sears Holdings Corp., and in 2012 the firm announced that it would close 120 Kmart and Sears stores.

The company’s latest round of closures follows a weak holiday season in which sales at Kmart slumped 4.4 percent. Critics have said the company has not done enough to update both the look and inventory of its stores to compete with the likes of Wal-Mart, Target and similar chain retailers.

Contact Caleb Soptelean at 574 6293 or csoptelean@dnronline.com