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PRESS RELEASE

FOR IMMEDIATE RELEASE

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CITY OF SAN FERNANDO'S RESPONSE TO QUESTIONS ABOUT SAM'S CLUB CLOSURE

Q: What is the city's total loss for the fiscal year due to Sam's Club's closure?

A: Closure of the San Fernando Sam's Club was a corporate decision to reposition the company, transforming Sam's Club from a traditional bricks and mortar retailer into an e-commerce company. The San Fernando Sam's Club was one of 63 closed nationwide. In speaking with representatives of Sam's Club, they indicated that closure of the store was a corporate decision and that, in fact, the store had been a high-performing location for the corporation. Sam's Club has not ruled out options to re-open at the site in some operational capacity. However, no proposal or submission has come forth.

Sales tax revenues are confidential under state law. Cities are not permitted to release sales tax revenues for specific businesses. The City of San Fernando will continue to receive property tax from the property owner. Closure of the San Fernando Sam's Club resulted in the loss of 178 jobs in the local economy.

Q: What is the property owner's plans for the space? Are any entities showing interest?

A: The property owner has a long term lease with Sam's Club, so the property owner has limited control over the site unless Sam's Club breaks the lease. Upon receiving notice of the San Fernando Sam's Club impending closure, the Mayor and City staff immediately met with the property owner to develop a strategy for re-tenanting the facility. As a result, City staff has been actively engaged in working with the property owner to attract a new tenant to the facility. To date, the City has met with area realtors and commercial brokers

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Page 2 of 2

to make them aware of the site's availability. The City has also been in dialogue with the property owner to assist them in identifying a new tenant or tenants for the site. The City regularly attends retail industry trade conferences to market the City of San Fernando as a great location for new businesses. The City also regularly speaks directly with companies to encourage them to consider the City and the Sam's Club site.

Q: Is the city offering any incentives for businesses to move into that space?

A: The City may consider providing incentives depending upon the needs of a future tenant or tenants. Financial incentives have not been a factor to date.

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