



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

SEPTEMBER 16, 2015

TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON *PAW*
CHIEF EXECUTIVE OFFICER

FROM: MARTHA WELBORNE, FAIA *WWW*
CHIEF PLANNING OFFICER

SUBJECT: CLOSING OF FAMIMA AT UNION STATION

ISSUE

The Japanese parent company of Famima Corporation, FamilyMart Co., Ltd., is electing to “wind up business” in the United States and terminate all leases, including the Famima located in Union Station.

BACKGROUND OR DISCUSSION

FamilyMart Co., Ltd. established a series of eight retail locations, (“Famima”) in 2009, one of which was by agreement with Catellus, the former owner of Union Station. The original term of the lease was for ten years with an option for five additional years. This was a straight retail lease at market per-square-foot rates with a modest 3% annual increase.

Of the eight retail locations established under the “Famima” brand, seven are reported as “not profitable,” Union Station being the exception. FamilyMart contacted Metro today to confirm a September 25th meeting to negotiate the exercise of their Early Termination Rights, Unconditional Release From All Obligations and store closure date, with full surrender of the premises on October 30, 2015. FamilyMart does have such rights under the terms and conditions of the lease, with a penalty to be calculated and agreed upon by them and Metro.

NEXT STEPS

Following the announcement by FamilyMart, Co., Ltd. to “wind up and dissolve business,” we have received several direct inquiries from parties interested in leasing the space, or becoming operators of the store. We have notified our commercial leasing broker to post the store as available for lease.

The store will be out of service for a period of time during the leasing campaign to select a new tenant and complete any tenant improvements they might require. With the level of interest already shown, we expect that out-of-service time to be relatively short. Any lease that exceeds the CEO’s delegation of authority will be brought to the Board for consideration.