

# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** May 5, 2020

**DEPARTMENT:** City Manager

**TITLE:**

Discussion to ascertain Commission direction on how to address the impacts of the COVID-19 pandemic as it relates to the businesses who lease facilities from the City at the Beach/Casino and Golf Course

**SUMMARY:**

Staff is seeking direction on the lease payments at the Beach/Casino and the Golf Course in order to address issues caused by the COVID-19 pandemic and its effects on business operations. The Commission discussed this and provided input at the last Commission meeting and is incorporated into this item.

**BACKGROUND AND JUSTIFICATION:**

Due to the COVID-19 crisis and the resulting Executive Orders and Administrative Orders issued by the State and the County, businesses are experiencing serious negative impacts. The City has six tenants within facilities located at the Beach/Casino and the Golf Course. Restrictions put in place to comply with social distancing coupled with the fact that they are located within City parks; the ability to maintain a flow of business activity was severely limited. The City Manager had conversations with several private sector landlords who own highly visible businesses within the downtown area. For the most part these landlords are working with their tenants to provide flexibility and options in order to help their tenant through this difficult period.

At the last meeting the Commission discussed various options, ideas, and concerns including:

- Partial Abatement of lease payment(s)
- Deferment of lease payment(s)
- Combination of both Abatement and Deferment
- Create several options to choose from based on above
- Tailor City's assistance based on need
- Assistance with loan/grant applications
- Payback period during the tourist season
- Utility assistance
- Require keeping employees

The following two options are based on the input and discussion provided by the Commission. The options are not a final recommendation but represent the next step in determining what the final assistance package will include and how it will function. Both options include:

- A determination of the affected days to be made by the Commission designed as the Effective Period of Impact (EPI)
- Determining if the business has applied for and/or has received assistance from the government in the form of loans/grants,
- Ascertaining if a business continued to operate or was completely closed at any time during the EPI,
- Exclusion of any business who is involved in a potential sale of their lease and/or a declaration of bankruptcy,
- The Season is defined as the period between December 1 and April 1
- Interest will be calculated on both the Abatement and the Deferment and added to the payback

**OPTION 1:**

100% Deferment of lease payments during the days included in the EPI with a payback prorated over one (1) Season.

**OPTION 2:**

25% Abatement and a 75% Deferment of lease payments for the days included in the EPI with a payback prorated for five (5) months starting one (1) month after complete re-opening of parks and businesses.

**ALTERNATIVE:**

Businesses that completely closed during the EPI may qualify for a 50% Abatement and a 50% Deferment of lease payments for the days included in the EPI with a payback prorated over one (1) Season.

**MOTION:**

Move to Direct staff to incorporate changes and bring back at the May 19 Commission meeting for consideration.

**ATTACHMENT(S):**

Fiscal Impact Analysis – n/a