

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, RESCINDING RESOLUTION 20-080, AND REPLACING IT WITH THE COMMERCIAL RENT ADJUSTMENTS CONTAINED HEREIN; AUTHORIZING A RENT ABATEMENT FOR COMMERCIAL TENANTS, INCLUDING GENERAL FUND AND GARRISON BIGHT, FOR THE MONTH OF APRIL 2020; AUTHORIZING A RENT DEFERMENT FOR UP TO TWO MONTHS, WITH AN UP TO 24-MONTH REPAYMENT PERIOD FOR COMMERCIAL TENANTS AFFECTED BY THE COVID-19 EMERGENCY FOR THE MONTHS OF MAY AND JUNE 2020, UPON INDIVIDUAL REQUEST BY TENANTS IN GOOD STANDING WHICH MEET SPECIFIC CRITERIA SET FORTH IN THE MEMORANDUM OF DOUG BRADSHAW, DIRECTOR PORT AND MARINE SERVICES, DATED AUGUST 24, 2020; PROVIDING FOR ADJUSTED DEFERRAL PAYMENT TERMS FOR EXPIRING AND/OR RENEWING LEASES; PROVIDING FOR LATE PAYMENT PENALTIES; AUTHORIZING THE PAYMENT OF 75% (25% ABATED) OF BASE RENT FOR COMMERCIAL (GENERAL FUND AND GARRISON BIGHT) TENANTS FOR THE MONTHS OF AUGUST AND SEPTEMBER 2020; DIRECTING CITY STAFF TO ANALYZE AND PROVIDE RECOMMENDATIONS TO THE CITY MANAGER OR DESIGNEE WITH REGARD TO RENT ADJUSTMENTS, IF ANY, FOR THE MONTHS OF OCTOBER THROUGH DECEMBER 2020 AT A LATER DATE; AUTHORIZING THE CITY MANAGER OR DESIGNEE TO APPROVE AND EXECUTE LEASE ADDENDUMS OR ACCOUNT ADJUSTMENTS TO EFFECTUATE THE RENT ABATEMENT, DEFERMENTS AND ADJUSTMENTS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the CRA/City of Key West is landlord to more than 160 commercial marina and upland tenants, almost all relying upon tourism as their main source of revenue; and

WHEREAS, on March 1, 2020, the Governor of Florida, Ron DeSantis, issued Executive Order Number 20-51, directing the State Health Officer and Surgeon General to declare a Public Health Emergency due to the discovery of Coronavirus Disease 2019 (COVID-19); in Florida; and

WHEREAS, in response to the COVID-19 threat, the City declared a State of Local Emergency on March 15, 2020 in accordance with F.S. 252.38 and CKW Resolution 2007-182. The State of Local Emergency has been extended as necessary; and

WHEREAS, the local State of Emergency required non-essential businesses, including tourism-related activities, to close, a Federal declaration suspended the passenger cruise industry in March, 2020, and additional State and County declarations to protect public health and safety have presented additional restrictions, causing economic hardship in Key West and across the country; and

WHEREAS, in Resolution No. 20-080 the City authorized a rent deferment for up to three months for commercial tenants of the City; and

WHEREAS, the Key West Bight Preservation Society (Tenants Association) requested additional rent relief at the City Commission meeting on June 16, 2020, and there was discussion with the Commission and the public about all commercial tenants of the City; and

WHEREAS, at the August 4, 2020 City Commission meeting, City staff presented a compromise rent relief proposal package and recommends approval of the compromise contained in this Resolution; and

WHEREAS, to effectuate the proposed rent adjustments, it is necessary to rescind and replace Resolution 20-080, with the provisions contained herein; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That Resolution 20-080, approved by the City Commission on May 5, 2020, is hereby rescinded, to be replaced with provisions contained in this resolution No. 20-
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Section 2: That rent for all commercial tenants of the City (General Fund and Garrison Bight) for the month of April 2020 is hereby abated (Other charges, including Common Area Maintenance, utilities, etc. remain due and payable).

Section 3: That a rent deferment of up to two months, with an up to 24 months (2-year) payback period for the deferment, for the months of May and June, 2020, is hereby authorized for eligible Commercial Tenants (General Fund and Garrison Bight) of the City in good standing, upon terms and conditions set forth in the attached memorandum from Doug Bradshaw, Director of Port and Marina Services, dated August 24, 2020. Deferred rent payments shall commence no later than January 2021.

Section 4: For tenants with less than 24 months remaining on their lease, the rent deferment shall be limited to the number of months remaining on lease. For tenants in the process of renewing their lease, an up to 24-month deferment payback may be a negotiated term of the new lease, however if a lease is not renewed all deferred rent will be immediately due.

Section 5: Late payment penalties, if applicable, shall be applied to full amount of rent plus any deferred rent due.

Section 6: That commercial rent is payable in full for the month of July 2020.

Section 7: That commercial tenants in good standing shall be authorized to pay 75% (25% abated) of base rent for the months of August and September. All other charges, including utilities, common area maintenance, etc. shall remain due and payable in full.

Section 8: That City staff is directed to discuss concerns with tenants, and report back to the City Commission with regard to whether there remains a need for further adjustments of mutual benefit to city and tenants with regard to the months of October through December, 2020, at a later date.

Section 9: That the City Manager or designee is authorized to execute lease addendums or approve account adjustments to effectuate rent abatement, deferment and adjustment terms and conditions for each tenant.

Section 10: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this _____ day of _____, 2020.

Authenticated by the Presiding Officer and Clerk of the Commission on _____ day of _____, 2020.

Filed with the Clerk on _____, 2020.

Mayor Teri Johnston	_____
Vice Mayor Sam Kaufman	_____
Commissioner Gregory Davila	_____
Commissioner Mary Lou Hoover	_____
Commissioner Clayton Lopez	_____
Commissioner Billy Wardlow	_____
Commissioner Jimmy Weekley	_____

TERI JOHNSTON, MAYOR

ATTEST:

CHERYL SMITH, CITY CLERK