

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CAROLINE STREET CORRIDOR AND BAHAMA VILLAGE COMMUNITY REDEVELOPMENT AGENCY (CRA) RESCINDING RESOLUTION 20-082, AND REPLACING IT WITH THE COMMERCIAL RENT (UPLAND AND MARINE) ADJUSTMENTS CONTAINED HEREIN; AUTHORIZING A RENT ABATEMENT FOR COMMERCIAL (UPLAND AND MARINE) TENANTS 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 UPLAND TENANTS FOR THE MONTHS OF AUGUST AND SEPTEMBER, 2020; AUTHORIZING THE PAYMENT OF 75% (25% ABATED) OF BASE DOCKAGE RENT FOR MARINE 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 City 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. 20-082 the CRA authorized a rent deferment for up to three months for its commercial tenants, both upland and marine; 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 further discussion with the Commission and the public; and

WHEREAS, City staff has reviewed the requests and the input from Tenants Association and the CRA/City Commission 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 20-082, with the provisions contained herein; and

NOW, THEREFORE, BE IT RESOLVED BY THE CAROLINE STREET CORRIDOR AND BAHAMA VILLAGE COMMUNITY REDEVELOPMENT AGENCY, AS FOLLOWS:

Section 1: That Resolution 20-082, approved by the CRA on May 5, 2020, is hereby rescinded, to be replaced with provisions contained in this Resolution No. 20-\_\_.

Section 2: That rent for all commercial tenants of the CRA (upland and marine) 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 of the CRA 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 (upland and marine) shall be payable in full for the month of July 2020.

Section 7: That upland 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 marine tenants in good standing shall be required to pay 75% (25% abated) of base dockage 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 9: That CRA 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 CRA/city and tenants with regard to the months of October through December, 2020, at a later date.

Section 10: 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 11: 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 Agency.

Passed and adopted by the Caroline Street Corridor and Bahama Village Community Redevelopment Agency at a meeting held this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

Authenticated by the presiding officer and Clerk of the Agency on \_\_\_\_\_, 2020.

Filed with the Clerk \_\_\_\_\_, 2020.

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

\_\_\_\_\_  
TERI JOHNSTON, CHAIR

ATTEST:

\_\_\_\_\_  
CHERYL SMITH, CITY CLERK