



Legislation Text

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CITY COUNCIL AGENDA ITEM

Memo Date: April 16, 2020
Agenda Date: April 22, 2020
Prepared By: Samantha Senger, APR, APIO, Assistant to the City Manager
Through: Matthew Fuhrer, Interim City Manager
Requested Action:

Seek Council direction on an inquiry to assist the small businesses and non-profit agencies renting space (with rental fees in excess of \$1) at the Porcher House and Civic Center during the COVID-19 pandemic.

BACKGROUND:

On April 3, 2020 we received an inquiry from one of our tenants about rental assistance during the COVID-19 pandemic.

Currently, the Porcher House has three tenants and the Civic Center has one tenant. Rental rates are as follows:

Tenant	Location	Rent	CAM	Tax	Due
Anello Consulting	PH #205	\$328.14	\$18.36	\$24.26	\$370.76
Jackson Private Wealth	PH #203	\$323.95	\$23.61	\$24.33	\$371.89
Jackson Private Wealth	PH #204	\$409.20	\$20.60	\$30.09	\$459.89
HCVMS	PH#201	\$1.00	\$23.61	0	\$24.71
St. Marks	CC Rm 2	\$660.00	\$33.00	0	\$693.00

All of the lease terms end on September 30, 2020.

The following are options are for City Council consideration:

1. Continue with the status quo and do not change the terms or rates of the current agreements.
2. Give tenants an optional rental deferment option for the months of May and/or June. Tenants would be required to pay the deferred rent with the July and August payments. Deferment would be on all or a portion of the rental amount requested by the tenant of their monthly total only and would not include Common Area Maintenance fees or taxes. No late fees or interest will apply to the deferred amount.
3. Offer tenants a waiver or reduction in rental fees for the months of May and June.

In addition, unless the City Council objects, City staff would like to implement a monthly rent payment grace period and waive late fees for rent due in April, May and June provided the rent is fully paid by the end of the month that it is due. For example, if the rent is due May 1, and payment is received from the tenant on May 30th, the City would accept the technically late payment and no late fee will

be imposed. This grace period would afford the tenants some flexibility in managing their own respective cash flow and making rent payments under the lease.

If option 2 or 3 are selected, staff is seeking Council authorization for the Interim City Manager to execute addendums to the existing lease agreements to address the agreed upon deferment of rent and the repayment thereof by the end of the term of the current annual lease.

The City has several \$1 a year lease agreements with non-profits (e.g. Main Street; Playhouse; Museum; Brevard County) that are not impacted by the COVID-19 situation and therefore, are not included as part of this agenda item.

STRATEGIC PLAN CONNECTION:

Support of small business enterprises and charitable enterprises operating within the City and on City property.

BUDGETARY IMPACT:

The rental fees listed above are budgeted as revenue for the City each year.

PREVIOUS ACTION:

No previous action. This would be in response to the COVID-19 pandemic as it relates to the Governor's Safer at Home order as many small businesses not having the ability to operate in full capacity during this time.

RECOMMENDED MOTION:

Seek Council direction on an inquiry to assist the small businesses and non-profit agencies renting space (with rental fees in excess of \$1) at the Porcher House and Civic Center during the COVID-19 pandemic and authorize the interim City Manager to execute any addendums to the current lease agreements if needed.