

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: April 15, 2021
To: Harbor Commission
From: Mike Wiltshire, Waterfront Director
Subject: **Director's Report**

CORONAVIRUS UPDATE

Since the last Harbor Commission meeting on March 18, 2021 Santa Barbara County continues to trend in a good direction with COVID cases and hospitalizations. At the time of writing, the County remains in the Red (Substantial) tier, but there are indications that we may move into the less restrictive Orange (Moderate) tier in the near future.

The Statewide *Blueprint for a Safer Economy* program sets County's tiers based on metrics derived from case rate, testing positivity rate, and health equity. Under this guidance current Red tier restrictions continue to remain in place on a number of Waterfront tenants including:

- Restaurants can have 25% indoor capacity, as well as outdoor dining
- Museums/Aquariums can open with 25% capacity
- Wineries can open for outdoor service only
- Retail/charters can open at 50% capacity

It is anticipated that Santa Barbara County could move into the Orange (Moderate) tier in the near future if case numbers continue to improve. This would further loosen restrictions on some Waterfront tenants and allow for:

- 50% indoor dining at restaurants
- 50% indoor capacity at museums/aquariums
- 100% capacity at retail/charters (with modifications)

Additionally, the County continues with the vaccine rollout and has administered roughly 110,000 doses to the roughly 450,000 Santa Barbara County residents. As a result of requiring two doses, roughly 8% of the County has been fully vaccinated to-date.

The City and the Waterfront are currently working on plans to re-open public serving counters. The Waterfront has put in place a number of modifications in preparation for opening to the public. Our front counter at the Waterfront counter is somewhat unique as there is not a lot of space and a fairly narrow entry way. There is a potential that City front counters will begin to reopen to the public as we move into the Orange tier.

Waterfront Tenant Deferred Rent Update

Since April of 2020 the City, and the Waterfront, has offered the option to commercial tenants experiencing hardship due to COVID to defer monthly rents under the Temporary Eviction Moratorium Ordinance (TEMO) adopted by Council on March 24, 2020. This deferred rent program ran from April 2020 through December 2020 and was terminated as of January 1, 2021. This allowed commercial tenants the possibility to defer a total of nine months' rent. Over this past year roughly 18 of the Waterfront's 61 tenants have deferred some portion of their rent with the remaining 43 tenants paying regular rent in full and on-time. In total, the Waterfront Department has roughly \$1.6M in outstanding deferred rents.

On February 23, 2021, City Council adopted an uncodified emergency ordinance granting the City Administrator the ability to negotiate and execute minor amendments to leases of City property for lessees who have suffered economic hardship due to the impacts of the COVID-19 pandemic including rescheduling of deferred rent payments. This action allowed the Waterfront some flexibility in negotiating payback terms of deferred rents.

The Waterfront Department has since reached out to those tenants who participated in the rent deferral program, and experienced economic hardship, and provided options and incentives for the payback of deferred rents. The proposals provide tenants with some realistic options for paying back deferred rents over an extended time frame while incentivizing earlier payback. Overall the Waterfront payback proposals have been well received and a number of tenants have begun paying back deferred rents. The Waterfront is optimistic that the majority of our tenants will succeed and be able to payback deferred rents over time.

TENTATIVE AGENDA ITEMS FOR FUTURE MEETINGS

- Waterfront Lease Agreements
- East Beach Mooring Permit Update
- Waterfront Municipal Code Updates
- Air Pollution Control District Presentation
- Insurance Requirements for Vessels in Santa Barbara Harbor

Prepared by: Mike Wiltshire, Waterfront Director