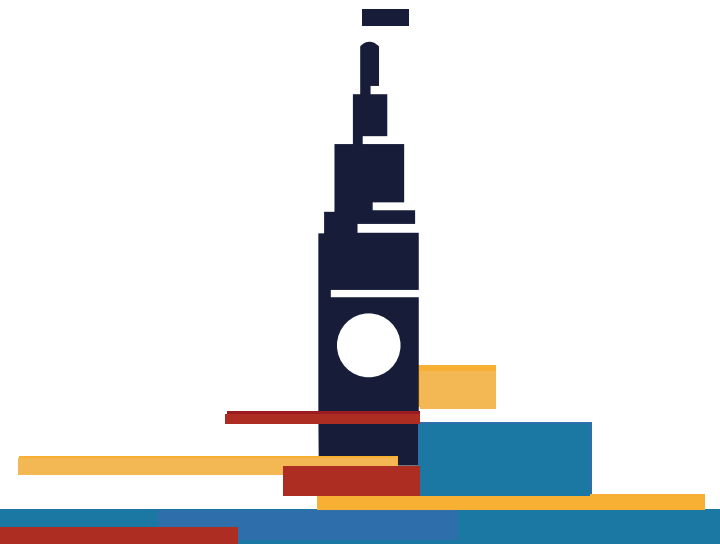




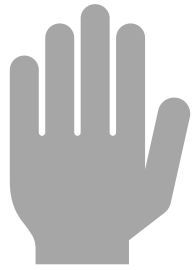
# COVID Tenant Relief Programs

July 16, 2020

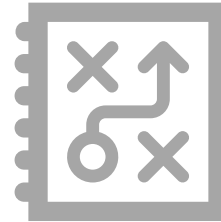
Presented By: Crezia Tano-Lee  
Manager, Real Estate and Development



# PRESENTATION OVERVIEW



Rent Deferral  
Programs



Rent Forgiveness  
Programs



Further Relief

# Rent Deferral

## *OVERVIEW*

- Waives late fees and default interest on rent payments
- Covers nearly all tenants, with a few exceptions
- Does not modify any lease provision
- Forbearance in pursuing eviction proceedings for unpaid rent
- Tenants must continue to comply with all lease obligations during deferral period

## Rent Deferral *Exceptions*

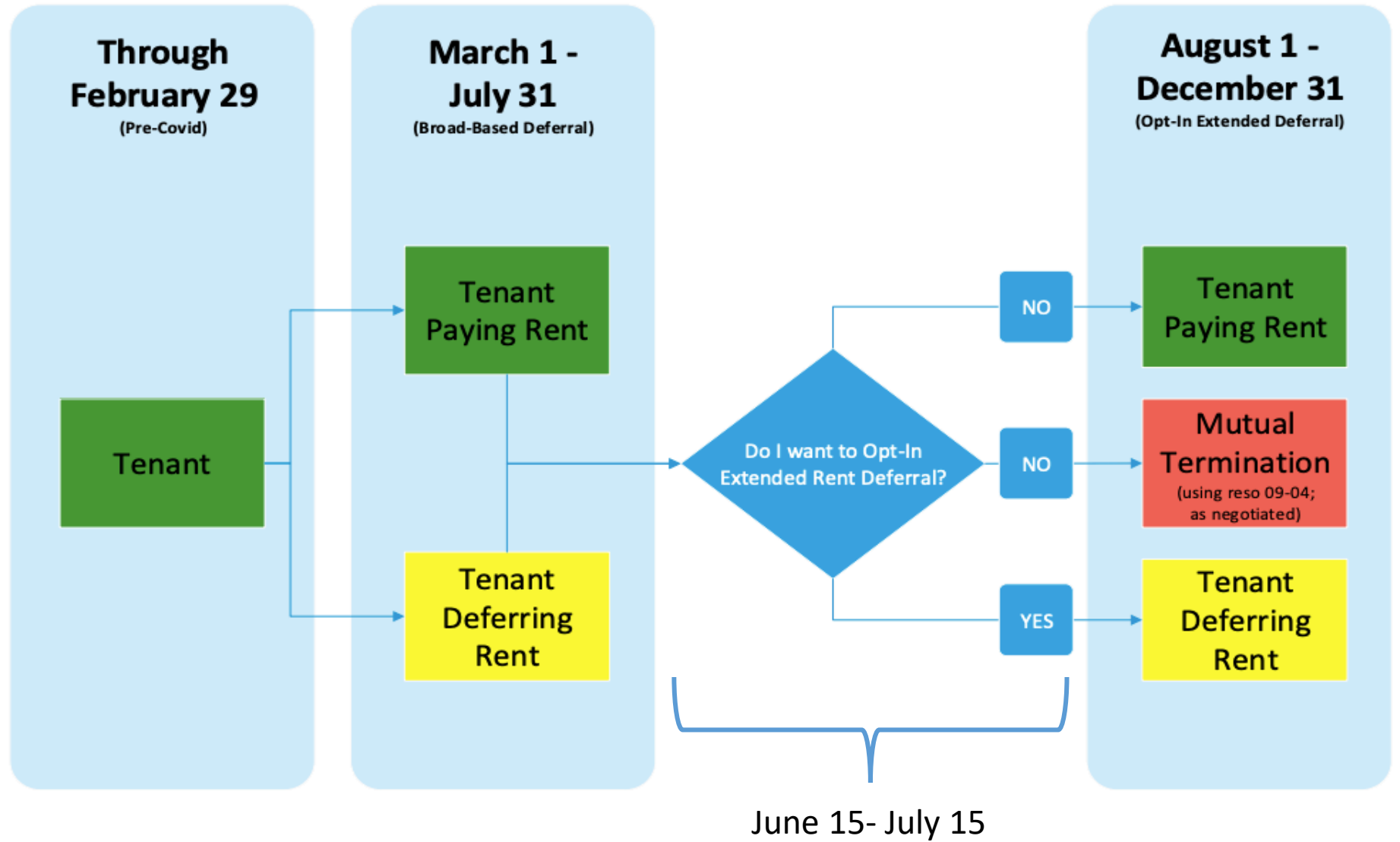
**This Opt-In Rent Deferral Program would apply to all leases, licenses and other agreements to use Port property, except for:**

- MOUs with City departments
- Maritime terminal agreements
- Lay berthing agreements
- Berthing agreements for small vessels at South Beach Harbor
- Agreements executed on or after April 1, 2020
- Tenants claiming the benefit of force majeure or similar provisions in its lease.



*In any scenario where a Port tenant has subleased some or all of its space, including master tenants, such relief will only be available to the extent that the Port's tenant has offered equivalent relief to the subtenant(s).*

# Rent Deferral *OVERVIEW*



# Rent Forgiveness

## *PROPOSED SECTORS*



Percentage Rent  
Tenants



Select Maritime  
Tenants



Local Business  
Enterprise Tenants



Criteria Based  
Tenants

Broad-Based  
Rent Deferral  
*PROPOSED SECTORS*

Sector	Proposal	Relief Period	
<b>A. Percentage Rent Tenants</b>	Port will forgive all base rents, and require payment of percentage rent as defined in the current lease agreement	March 1, 2020	April 30, 2021
<b>B. Select Maritime Tenants</b>	Port will forgive all base rents	March 1, 2020	May 31, 2020
<b>C. LBE Tenants</b>	Port will forgive all base rents	March 1, 2020	May 31, 2020
<b>D. Criteria-based</b>	Tenants not covered by (1)-(3) may apply for forgiveness based upon their work that is Trust-consistent or similarly public-serving in nature and who demonstrate a significant economic impact from the pandemic.	Application-based	Application-based

Broad-Based  
Rent Forgiveness  
*ESTIMATES*

Sector	Months	Est. # Tenants Affected	Est. Rent Forgiven or Deferred
<b>A. Percentage Rent Tenants</b>	14	51	\$14.50 M (offset by percentage rent paid throughout period)
<b>B. Select Maritime Tenants</b>	3	122	\$0.70 M
<b>C. LBE Tenants</b>	3	28	\$0.16 M
<b>D. Criteria-based</b>	TBD	TBD	TBD



# Rent Forgiveness

## *PROPOSED CONDITIONS*

### **GENERAL CONDITIONS**

- Satisfy all responsibilities under the lease
- Must state and maintain agreed upon hours of operation
- Submit an application similar to the Opt-In Program
- Tenants who have outstanding balances greater than \$10,000 prior to March 1, will not be allowed to participate in forgiveness programs

### **PERCENTAGE RENT TENANTS**

- Report sales as required by the existing lease
- Pay percentage rent throughout the time period of base rent forgiveness, as required by the existing lease

### **LOCAL BUSINESS ENTERPRISE TENANTS**

- Maintained LBE status during the forgiveness period



# Rent Forgiveness

*PROGRAM ADMINISTRATION*

- STANDARD FORMS
- RENT CREDITS

# Rent Forgiveness

*FISCAL IMPACT*

- **Total Base Rent forgiven** is estimated to be approximately **\$15.3 million**
- **Total estimated percentage rent** projected to be collected **\$6.6 and \$13.3 million**; large range reflects uncertainty of the future of public health crisis and the economic downturn.



## OTHER RELIEF

- Criteria-based and budget-limited rent forgiveness category
- Repayment Program
- City-wide efforts and measures, including Board of Supervisors legislation
- Shared Spaces
- Lease Extensions



# QUESTIONS