



City of Santee City Council Meeting Memorandum

TO: Mayor and Council Members
Marlene Best, City Manager
Shawn Hagerty, City Attorney

FROM: Annette Ortiz, CMC, City Clerk

DATE: January 13, 2021

SUBJ: Updated January 13, 2021 Council Meeting Materials

(9) Extension of Rent Payment Adjustment – Sportsplex USA. (City Manager – Best)

The attached record is being provided as additional backup information relating to the above mentioned Item.

Penalties and interest will be assessed retroactively to July 31, 2020 if TOT is not paid in full by August 31, 2020

- Consider providing rent adjustments for key City lessees and concessionaires, specifically Sportsplex USA and the Riverwalk Grill.

Rental Payment Adjustments for City Lessees and Concessionaires

Two local businesses operate as lessees and concessionaire under contract to the City, and both have requested rent adjustments due to economic hardship. City staff is requesting consideration of the following rent adjustments for these businesses:

Sportsplex USA: Under an agreement for facility maintenance and operations, Sportsplex USA is required to pay the City fixed monthly rent and a share of facility revenues. In light of "Stay at Home" orders and the resulting suspension of operations at Sportsplex, staff recommends that the City Council consider waiving payment of fixed monthly rent and providing a credit of \$1,000 per week for ongoing maintenance performed by Sportsplex while the facility remains closed. Staff further recommends that payment of revenue-sharing amounts for the Sportsplex Program Year ended May 31, 2020 currently payable to the City by July 31, 2020 be postponed until monthly gross revenue exceeds 80% of pre-pandemic revenue or January 1, 2021, whichever shall occur first, and then repay the deferred payments over a period of twelve months.

Riverwalk Grill: The operator of the Riverwalk Grill also makes revenue-sharing payments to the City, as well as paying for utility expenses associated with the facility. Staff recommends that the City Council consider waiving utility expense payments until Riverwalk Grill has reopened.

Goal 4: Provide additional support to households experiencing extreme hardship and augment funding to social service agencies supporting vulnerable segments of the community

Specific Actions:

- Consider a Rent Assistance program for Santee residents on the brink of homelessness due to inability to pay rent and utilities. This would be funded from the supplemental CDBG-CV funding.
- Consider allocating CDBG-CV funding to provide additional funding for current CDBG subrecipients providing critical support and social services to vulnerable populations within the community experiencing extreme hardship. These social services providers would include Crisis House, Elderhelp of San Diego, Meals-On-Wheels, Santee Food Bank, and Santee Santas Foundation.

Goal 5: Assist businesses with guidance on re-opening and resuming operations, and implementing the directives outlined by State and County Health Officials