



Albemarle County

Legislation Details (With Text)

File #: 20-280 **Version:** 1 **Name:**
Type: Resolution **Status:** Consent Agenda
File created: 3/26/2020 **In control:** Board of Supervisors
On agenda: 4/1/2020 **Final action:**
Title: Waiver of Rents.
Sponsors:
Indexes:
Code sections:
Attachments: 1. Att.A - Resolution

| Date | Ver. | Action By | Action | Result |
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AGENDA DATE: 4/1/2020

TITLE:
Waiver of Rents

SUBJECT/PROPOSAL/REQUEST: Resolution to approve waiving the April 2020 and May 2020 Rents for the Crozet Artisan Depot LLC, Crozet Running, LLC, the Field School of Charlottesville, Old Crozet School Arts, and Staengl Engineering LLC and to authorize the County Executive adjust or waive future rents during the COVID-19 Disaster.

ITEM TYPE: Consent Action Item

STAFF CONTACT(S): Richardson, Henry, Kamptner, Herrick, Stewart, Freitas

PRESENTER (S): Michael Freitas

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: The County has five private sector tenants leasing a total of 24,443.5 square feet in three County owned facilities. The Old Crozet School Arts and The Field School of Charlottesville rent space in the Old Crozet Elementary School. The Crozet Artisan Depot LLC rents space in the Old Crozet Train Depot. Staengl Engineering LLC and Crozet Running, LLC, rent space at the Crozet Library. The combined monthly rents from the five tenants total \$14,055.95. To date, all the tenants' rents are current and their leases are in good standing.

STRATEGIC PLAN: Vision: Albemarle County envisions a community with abundant natural, historic, and scenic resources, healthy ecosystems, active and vibrant development areas, a physical environment that supports healthy lifestyles, a thriving economy, and exceptional educational opportunity for present and future generation.

DISCUSSION: Following the outbreak of COVID-19 and the issuance of Governor Northam's Executive Order

53, the business operations of these County tenants have either been temporarily closed or severely curtailed. These circumstances arose suddenly and were not able to be considered in business planning. Though these operational restrictions are necessary to slow the spread of the virus, they have also created a substantial financial burden for these tenants. As a landlord, the County is positioned to help mitigate the financial impact of this virus and allow the tenants a reasonable opportunity to restore their operations in the coming months and maintain their positive contributions to the community's welfare for the long term. The County's COVID-19 Executive Incident Management Team considered the financial impact of waiving tenant rents for a two-month and a three-month period. The review concluded that a two-month waiver of rents would not be detrimental to the County's financial wellbeing. On March 27, 2020, the Board of Supervisors adopted an Emergency Ordinance to Ensure the Continuity of Government During the COVID-19 Disaster, which provides the Board with broad authority to support efforts to stop the spread the virus. Additionally, the duration of this disaster is unknown. These businesses may need to remain closed or operating under similar restrictions imposing continued financial hardships. For this reason, granting the County Executive authority to consider adjusting or waiving future rents for the same reasons will provide all parties with the flexibility to negotiate this crisis and preserve the commercial environment.

BUDGET IMPACT: A waiver of rent for two months for the five tenants would result in a \$28,111.90 loss of revenue.

RECOMMENDATION:

Staff recommends the Board adopt the attached resolution (Attachment A) approving the waiver of the April 2020 and May 2020 rents for the Crozet Artisan Depot LLC, Crozet Running, LLC, the Field School of Charlottesville, Old Crozet School Arts, and Staengl Engineering LLC and authorize the County Executive to adjust or waive future rents under these lease agreements during the COVID-19 Disaster Declaration.

ATTACHMENTS:

A- Resolution