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Sent: Monday, March 16, 2020 3:02 PM

To: Ann Yang <anny@hermosabeach.gov>; City Council <citycouncil@hermosabeach.gov>; Suja Lowenthal <suja@hermosabeach.gov>

Subject: New eComment for City Council Special Meeting (City Council Declaration of an Emergency with Attendant Orders)

New eComment for City Council Special Meeting (City Council Declaration of an Emergency with Attendant Orders)

Luis Serrano submitted a new eComment.

Meeting: City Council Special Meeting (City Council Declaration of an Emergency with Attendant Orders)

Item: 1. REPORT 20-0167 CITY COUNCIL DECLARATION OF AN EMERGENCY WITH ATTENDANT ORDERS

eComment: I am the owner of Pierside Properties LLC, which owns a retail building at 49-53 Pier Avenue. Included in my building are several restaurants, which would be impacted by the proposed rules of Report 20-0167. As a landlord of property in the City of Hermosa Beach, I strongly disagree with the passage of the rules in the Report that affect restaurants, alcohol beverage establishments and snack shops (and their landlords) for the following reasons: • The State of California has already issued rules for these types of establishments which are similar to the rules being proposed by the City regarding prohibition of on-site patronage. The city rules are duplicative and unnecessary. • Regarding the proposed rule prohibiting the charging of rent during the emergency, the City does not have authority to legislate the terms of business contracts between private parties. o You are attempting to transfer business risk from restaurant and bar operators to the property owners. This is not the role of City government. o These business owners may have or could have purchased Business Interruption Insurance. o We have every intention of enforcing our rights under our tenant leases. By giving the tenants the impression that they are not legally obligated to comply with their contractual obligations, you are putting them at risk of eviction when we enforce our rights under the leases and the courts determine that the City does not have the right to interfere with these contracts. o Furthermore, I will not renew leases to any tenant that refuses to pay rent following the City's directive. o You are putting the City at risk by assuming • Since the City is offering to prohibit Landlords from collecting their rent, will the City be waiving all city fees and property taxes? Will the City force lenders to waive interest on our loans? Will the councilmembers be waiving their salaries and stipends to help these distressed businesses? • If the City is worried about the business health

of bars and restaurants, why not offer them a line of credit backed by the City? The City does not have authority to put that burden on private businesses. • Regardless of this City rule, I will work with my tenants in the ordinary course of business to postpone/defer part of the rent if the circumstances warrant it. But this should be a business decision, not a City imposed obligation. As a business owner in Hermosa Beach, I will challenge in court any city rule which states that I cannot form a contract with my tenants and collect rent as a result of them occupying my property. I strongly urge you to remove these provisions from Report 20-0167.