

MISSION BAY LESSEES ASSOCIATION

1945 Quivira Way, San Diego CA 92109

619-276-2811

March 24, 2020

The Honorable Kevin Faulconer
Mayor, City of San Diego
202 C Street, 11th Floor
San Diego, CA 92101

**RE: COVID-19 Pandemic
Request for Minimum Rent Waiver**

Dear Mayor Faulconer:

This letter is being sent by the Mission Bay Lessees Association on behalf of its own members and all hospitality sector lessees in the City of San Diego ("City").

Like all businesses across our country, the tourism industry has been especially hard hit by the global outbreak of COVID-19 (coronavirus). Starting earlier this month, the lodging industry began to experience a sudden and unprecedented decline in business. The impact grows daily and is now significantly greater than that of 9/11 and the 2009 recession *combined*. Customer demand has dropped dramatically, nearly all business for the next 90 days has canceled, and revenues for most businesses have declined in excess of 90%. Based on orders issued by the State, County, and City governments, hotel operators have closed all bars, on-premises dining, spas, and fitness centers in addition to banning gathering of 10 or more people, effectively shutting down all group meetings, catering, and events business. Against this backdrop, many hotels and other hospitality-sector businesses have made the painful decision to temporarily cease operations entirely for the foreseeable future.

Based on the above, we respectfully request that the City waive the minimum rent for at least 90 days starting March 1, 2020 for all hospitality sector lessees and only have those tenants pay percentage rent based on their actual sales.

It is more critical than ever that the City maintain a strong partnership with its lessees. Having the City waive the minimum rent gives these businesses the best chance of staying in business for the duration of this pandemic. Only if that happens will be able to recall all of our employees to once again serve our guests and welcome back to San Diego.

Thank you for your leadership and for considering this important request.

Sincerely,



William L. Evans
President
Mission Bay Lessees Association