Dear Port Chair Moore and Board of Port Commissioners,

SUBJ: SDPTA Request – Waiving Minimum Rent on behalf of the Port’s Percentage Rent Tenants due to the financial economic crisis caused by the Coronavirus Pandemic.

The San Diego Port Tenants Association (SDPTA) sent out a survey to your Port Tenants this last Tuesday, March 17 to collect real time data to give to the Port on the financial impacts on your tenants due to the Coronavirus Pandemic. We have also had numerous conference calls and one on one conversations. There will be devastating financial impacts for all your tenants, especially in the hospitality sector including restaurants, hotels, retail, harbor tours, sportfishing and yacht clubs/marinas. The financial impact from this pandemic virus cannot be compared to any previous event in our lifetime. This includes years 1990, 2001 and or 2008/09 when we saw a recession due to the oil price rising costs, a hit from the 911 attack and or when the market crashed.

In the past, the Port immediately put programs into place such as the rent deferral program. That said, a proposed rent deferral program WILL NOT be enough in order to keep the tenants afloat. Sales dropped dramatically starting on March 1st and continued to drop hourly every day since. Your restaurant tenants alone were mandated to close and only provide take out. Tenants due to the financial economic crisis caused by the Coronavirus Pandemic.

For all the reasons above, we respectfully request that the Port initially waive the minimum rent for 90 days starting March 1st for the hospitality sectors listed above and only have those tenants pay the percentages on their actual sales. The last thing we need is to have your tenants go completely out of business leaving many properties with empty buildings.

The partnership between the Port and its tenants is unlike any other Port in where the Port does not collect tax dollars and depends on your tenants’ rents. It is critical to assist your tenants during this time, so that when this pandemic is behind us, your visitor serving tenants will be ready to serve the public once again.

Sincerely,
San Diego Port Tenants Association

Frank Plant
Chair

Sharon Cloward
President

Cc: Port of San Diego Executive Leadership Group
SDPTA Membership