



EMERGENCY ORDER
IN AND FOR THE CITY OF SEQUIM, WASHINGTON

No. 2020-17

Regarding deferring or forgiving lease and utility payments owed to the City of Sequim by Quimper Artisan Foods (dba Pane d'Amore Bakery).

Policy/Budget (Council) **City Clerk use only:** Presented to Council _____
Administrative (City Manager)

On March 16, 2020, at a special meeting of the City Council of the City of Sequim, the City Council issued a Proclamation of Civil Emergency due to the novel corona virus (COVID-19) outbreak that was identified as a pandemic by the World Health Organization on March 11, 2020.

The Proclamation of Civil Emergency was issued pursuant to Sequim Municipal Code 2.60, RCW 35A.38.010, and RCW 38.52.070(2) based on the public health threat posed by COVID-19, and is consistent with concurrent emergency declarations issued by the President of the United States and the Governor of the State of Washington.

On March 23, 2020 Governor Inslee issued Proclamation 20-25 – “Stay Home Stay Healthy”, which ordered everyone to shelter in place until April 6, 2020 unless 1) performing essential activities and/or 2) working in essential business services. “Essential activities” are limited to: 1) getting necessary supplies and services for family/household members, 2) engaging in activities essential to public health/safety for family/household members, 3) caring for family members, friends, etc., and 4) engaging in outdoor exercise **if** appropriate social distancing was followed. People who are in unsafe housing situations, such as domestic violence, or who are experiencing homelessness are exempt from the Proclamation.

On April 2, 2020 the Governor extended his emergency Proclamation (20-05) and his “Stay Home, Stay Healthy” Order until May 4, 2020 at 11:59 p.m.

The Pane d'Amore Bakery occupies a very small building (approximately 400 square feet) that its parent company, Quimper Artisan Foods, rents from the City of Sequim pursuant to a Commercial Premises Lease Agreement (Lease). The monthly rent is \$916.34 plus \$117.66/month Leasehold Excise Tax. The Lease also requires payment of utility bills to the City.

The Pane d'Amore Bakery has been closed since approximately March 16, 2020 because it would have been difficult for customers and staff to comply with social distancing measures even under the “take-out” exemption in the Governor’s March 16, 2020 Proclamation closing restaurants, and because it did not qualify as an essential business (e.g., grocery) under the Governor’s March 23rd Proclamation.

Because the Bakery’s closure is the result of the COVID-19 emergency, the City believes it is in the public interest to defer or forgive rent payments owed under the Lease and to forego accrual of late fees for the months of March, April, May and possibly future months.



In addition, the City will take no collection action on any utility payments owed by the Bakery to the City under the Lease incurred during March, April or May 2020, or take any shutoff action, until such time as the COVID-19 emergency orders are lifted or the Bakery has reopened.

The City will continue to defer rent, excise tax and utility payments and forego accrual of late fees until such time as the Bakery reopens or the COVID-19 emergency orders are lifted, whichever occurs first.

The City and Quimper Artisan Foods will renegotiate the Lease at their earliest opportunity. The new Lease may contain provisions for repayment of deferred amounts in order to satisfy the constitutional prohibition against gifts of public funds for private purposes, or may contain a statement of the City’s determination that the payments deferred during the COVID-19 crisis were forgiven entirely based on the City’s Proclamation of Civil Emergency that allowed it to “provide relief to those impacted by the economic implications as deemed fiscally and legally appropriate.”

NOW, THEREFORE, IT IS HEREBY DIRECTED AND ORDERED THAT:

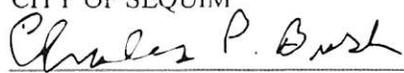
Section 1. All rent, leasehold excise tax, and utility payments that would ordinarily have been due and payable by Quimper Artisan Foods to the City of Sequim for the months of March, April, and May 2020 will not be collected, and no late fees will accrue or be collected for those months. In addition, the City may choose to defer, reduce, or forgive those payments in additional months if the COVID-19 crisis continues to warrant provision of such relief.

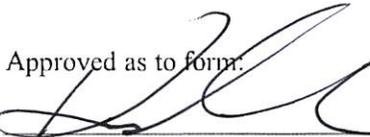
Section 2. The City and Quimper Artisan Foods will renew and/or renegotiate the Commercial Lease Agreement at their earliest opportunity, and in no event later than 30 calendar days following the lifting of all applicable COVID-19 emergency orders. The new Lease may, at the City’s sole discretion, contain provisions for repayment of deferred amounts, or may memorialize the City’s determination that the deferred payments do not need to be repaid, and the legal basis therefor.

Section 3. Authority of City Manager. Pursuant to Sequim Municipal Code 3.14.100(D), the “city manager may authorize the lease or sublease of any property, including real property, under such terms and conditions as the manager may deem desirable, fair and appropriate” when provided for in the budget.

Section 4. Duration. Unless modified, extended, or terminated by the Sequim City Manager, this Emergency Order is effective immediately and remains in effect until 30 calendar days after the end of the civil emergency, as declared by the City Council.

SIGNED this 7th day of May , 2020, at hours.

CITY OF SEQUIM

Charles P. Bush, City Manager

Approved as to form:

Kristina Nelson-Gross, City Attorney

Attest:

Sara McMillon, City Clerk