

RESOLUTION NO. 4244-2020

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL RATIFYING
THE CITY MANAGER'S APPROVAL OF A THREE-MONTH BUSINESS LOAN
FORBEARANCE FOR SPORTZ INVESTMENTS, INC. DUE TO THE COVID-19
PANDEMIC**

WHEREAS, Fort Bragg Municipal Code Section 2.24.040(B) empowers the City Manager, as the Director of Emergency Services for the City of Fort Bragg, to declare the existence or threatened existence of a local emergency when the City is affected or likely to be affected by a public calamity; and

WHEREAS, Government Code Section 8550, et seq., including Section 8558(c), authorize the City Council to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and

WHEREAS, the Governor on March 12, 2020 issued Executive Order N-25-20, ordering, *inter alia*, that all residents are to heed the orders and guidance of state and local public health officials; and

WHEREAS, on March 13, 2020, the President of the United States issued a proclamation declaring the COVID-19 outbreak in the United States as a national emergency, beginning March 1, 2020; and

WHEREAS, on March 18, 2020, the Mendocino County Health Official issued a Shelter-in-Place Order, which was revised on March 24, 2020; and

WHEREAS, on March 19, 2020, the Governor issued Executive Order N-33-20 which orders California residents to stay at home except for certain critical activities. Due to directives from federal, state, and local health Officers, residents have been advised to avoid public gatherings and stay at home to prevent the spread of this disease; and

WHEREAS, state and local public health officials may, as they deem necessary in the interest of public health, issue orders limiting attendance at public assemblies, conferences, or other mass events, which will cause the cancellation of such gatherings through no fault or responsibility of the parties involved, thereby constituting a force majeure; and

WHEREAS, conditions of extreme peril to the safety of persons and property have arisen due to the potential introduction of COVID-19 to Fort Bragg and Mendocino County; and

WHEREAS, on March 17, 2020 the City Manager, as the City's Director of Emergency Services, issued Proclamation No. CM-2020-01 declaring a local emergency as authorized by Government Code section 8630 and Fort Bragg Municipal Code section 2.24.040(B); and

WHEREAS, at a special meeting on March 24, 2020, the City Council of the City of Fort Bragg adopted Resolution No. 4242-2020, ratifying the City Manager's Proclamation declaring the existence of a local emergency; and

WHEREAS, the County and State Shelter-in-Place Orders have closed many businesses in the City of Fort Bragg resulting in the loss of jobs for many local residents, a substantial decrease in revenues generated by local businesses and had a profound negative impact on the economy both locally, state-wide and nationally.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fort Bragg hereby approves and ratifies the City Manager's forbearance of collection on a Business Loan between the City of Fort Bragg and Sportz Investments, Inc. for a three-month period beginning on April 1, 2020 and continuing through June 30, 2020 as set forth in Exhibit A.


The above and foregoing Resolution was introduced by Councilmember Norvell seconded by Councilmember Peters, and passed and adopted at a special meeting of the City Council of the City of Fort Bragg held on the 6th day of April, 2020, by the following vote:

AYES: Councilmembers Albin-Smith, Morsell-Haye, Norvell, Peters and Mayor Lee.
NOES: None.
ABSENT: None.
ABSTAIN: None.
RECUSED: None.



WILLIAM V. LEE
Mayor

ATTEST:



June Lemos, CMC
City Clerk



CITY OF FORT BRAGG

Incorporated August 5, 1889
416 N. Franklin Street
Fort Bragg, CA 95437
Fax: (707) 961-2913
Phone: (707) 961-2825

City of Fort Bragg
Business Loan Program
416 N. Franklin Street
Fort Bragg, CA 95437

Re: Loan No. FBOTC-2015
Principal: \$720,396.72
Loan Date: 2/1/2015
Maturity: 3/1/2035
Borrower: Sportz Investments, Inc.
200 E. Chestnut Street
Fort Bragg, CA 95437


April 1, 2020

Dear Mr. Michael E. Slaughter,


At your request, and due to the current state of emergency caused by the COVID-19 pandemic, the City of Fort Bragg has agreed to forbear collection of the above referenced loan for a period of three (3) months beginning April 1, 2020 and continuing through June 30, 2020. During this period of forbearance, your obligation to make monthly payments of \$3,644.37 is suspended. The date for final payment is extended by three (3) months, with the total number of payments remaining the same. We agree that amortization will freeze and that the amortization schedule is hereby amended to reflect these changes. Interest will not accrue during this period of forbearance, and we agree that no other terms or conditions of the above referenced loan are waived or modified.

City of Fort Bragg

Sportz Investment, Inc.



Tabatha Miller, City Manager



Michael E. Slaughter, President

Attest:



June Lemos, City Clerk

EXHIBIT A