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NEXT STEPS FOR COMMERCIAL TENANTS



Clare Briglio **Communications and Business Disruption Resource Director**

Clare Briglio serves as Communications and Business Disruption Resources Director for the Economic Development Collaborative and the Small Business Development Center for Santa Barbara and Ventura County. She has served in this capacity and as business advisor for the last 8 years and through the Thomas Fire and Hill/Woolsey Disasters. Her passion lies in equipping individuals, businesses and nonprofit organizations with tools to help them define their core purpose and develop resiliency models to ensure ongoing success.

PANEL PARTICIPANTS



Bill Bartels **EDC SBDC ADVISOR**

Bill Bartels, B.A., is the principal in a diversified farming/management/organizational development company generalizing in facilitation of diverse teams with divergent ideas and goals. Bill works in public policy and spent 17 years with the city of Fillmore in various roles, concluding his tenure as deputy city manager. Bill served on the Ventura County Planning Commission for 12 years and is a fourth-generation Ventura County farmer.

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Erica Bristol
EDC SBDC LEGAL ADVISOR

Erica Bristol is an attorney and commercial mediator, specializing in intellectual property and business contracts/transactions. A graduate of UCLA School of Law, Erica served as corporate in-house counsel for over 11 years. A commercial mediator for over 7 years, she currently serves as a panel mediator for the United States District Court, Central District of California, and the Santa Barbara Superior Court.

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Gonzalo Fernandez **EDC SBDC FINANCE ADVISOR**

Gonzalo Fernandez has a business degree from La Salle Business College in Havana, Cuba. He is the founder of GBF Consulting, a small business financing advisory. His areas of expertise are analyzing and securing business loans, and strategic planning. An experienced banker, he had held senior management positions at national, regional and community banks, including First California and Santa Barbara Bank & Trust. He has also developed and grown SBA lending programs throughout California.

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Anthony Curtis Elliott **EDC SBDC FINANCE ADVISOR**

Anthony Curtis Elliott, B.A., CPA, is a forensic accountant and intellectual property “royalty audit” specialist who performs royalty and contract compliance and related consulting services to a broad base of companies. With more than 30 years’ experience in accounting and finance, he has held positions as accounting director and controller for both medium and large companies. In 1993, he developed a broad-based accounting and consulting practice. His corporate clients are based in the United States, Canada, and Japan.

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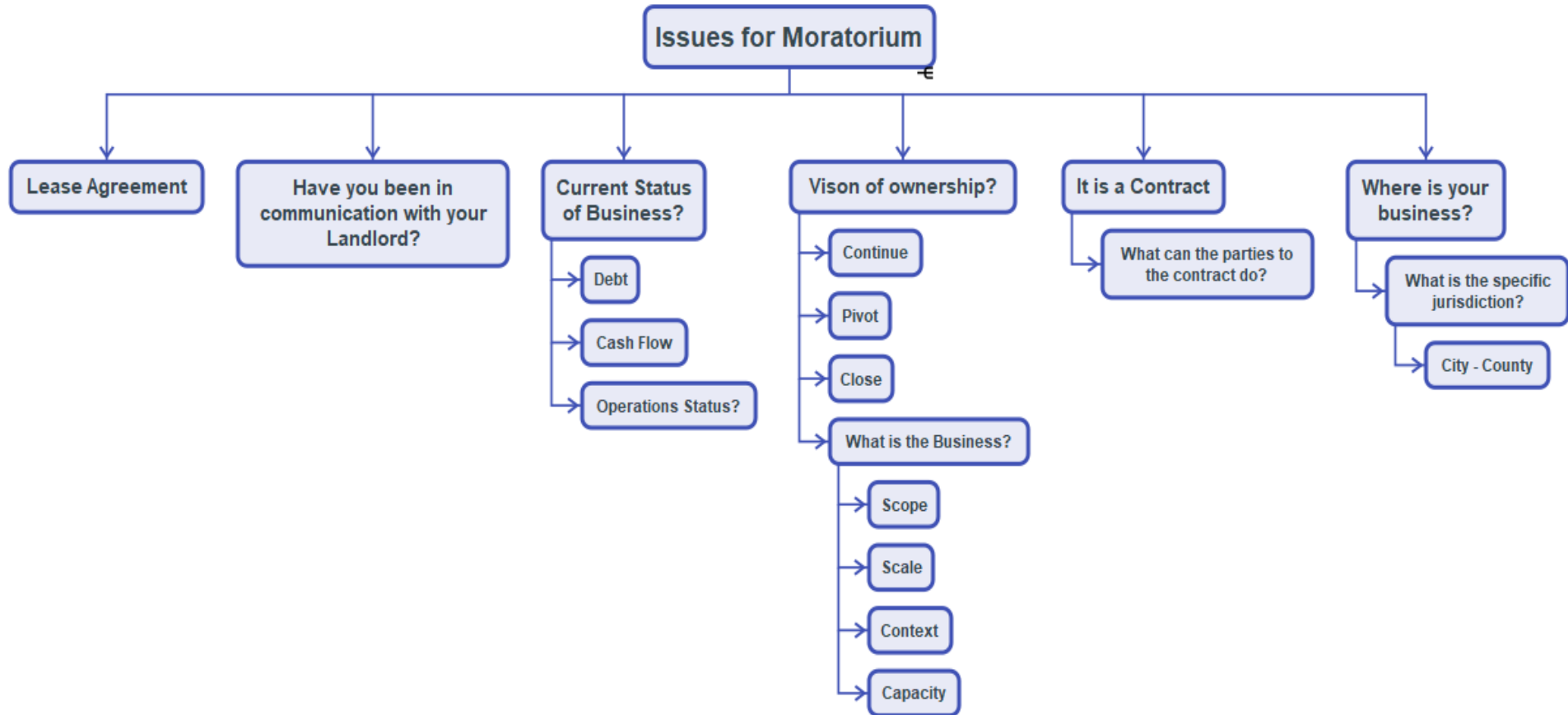
EVICTION MORATORIUM UPDATE

Governor Gavin Newsom signed an
EXECUTIVE ORDER N-03-21
extending authorization for local
governments to halt evictions for
commercial renters impacted by the
COVID-19 pandemic through June 30, 2021.

WHERE TO BEGIN



WHERE TO BEGIN



GOOD TO KNOW:

UNLAWFUL DETAINER IS EVICTION.

Tenancy Definition:

A contract by which the owner of real property (the landlord), grants exclusive possession of that real property to another person (tenant), in exchange for the tenant's periodic payment of some sum of money (rent).

TENANT AND LANDLORD COMMUNICATION

If a Local Ordinance Exists:

Under most (but not all) local ordinances, you must have suffered a COVID-19 related substantial decrease in household or business income .

Prepare to prove your hardship.

Don't assume you are automatically protected.

Notify your landlord in writing that you can't pay rent - in many cases when or even before the rent is due.

You're still expected to pay eventually, so negotiate with your landlord.
Generally, landlords can still serve notices and file eviction actions.

LEGAL DEFINITIONS

GOOD TO KNOW:

WHAT IS YOUR EMOTIONAL CAPACITY?

CONDUCT A COMMERCIAL LEASE CLAUSE ASSESSMENT



CONDUCT A COMMERCIAL LEASE CLAUSE ASSESSMENT

WHAT TO LOOK FOR IN YOUR LEASE

- Events of Default (landlord's rights beyond eviction; landlord can sue for breach of contract)
- Personal Guaranty (is tenant personally liable if Corporation/LLC. doesn't pay?; And limits in time on the guaranty?)
- Abandonment (walking away; dropping off keys has consequences)
- Force Majeure (what is the wording?; can a pandemic/virus be included?; does it exclude tenant's payment of rent?)

CONDUCT A COMMERCIAL LEASE CLAUSE ASSESSMENT

WHAT TO LOOK FOR IN YOUR LEASE

- Options (what option coming up?; can tenant still exercise option if in default?)
- Holdover (has the lease ended?; are they in month to month?; can landlord try to terminate on 30/60 days' notice?)
- Dispute resolution (if rent or other issues disputed, how are they resolved?)
- Attorneys' Fees Clause (can landlord try to claim breach of contract and seek attorneys' fees?)
- Any other rights landlord has on tenant default?; any other restrictions on tenant if tenant is in default?(many clauses say "so long as tenant not in default,....")

TIPS FOR SMALL BUSINESS NEGOTIATIONS



TIPS FOR SMALL BUSINESS NEGOTIATIONS

1. DEFINE THE NUMBER OF OPTIONS THAT WILL WORK FOR YOU
2. KEEP AN OPEN MIND
3. COMMUNICATE
4. LOOK FOR QUICK SOLUTIONS
5. DON'T TAKE THINGS PERSONALLY
6. LOOK FOR WIN/WIN SOLUTIONS

SOURCE: VENTURA COUNTY STAR BY RHONDA ABRAMS FROM USA TODAY

CONDUCT A FINANCIAL ASSESSMENT



CONDUCT A FINANCIAL ASSESSMENT

TAKE A LOOK AT YOUR FINANCES

1. Assess the financial condition of the business, to determine if resolving the eviction issue is going to make a material difference on the survival of the business.
2. Assuming that up to this point there had been no negotiations with the landlord, identify financial options available to commence negotiations.
3. Key items about the financial picture include: cash flow, sales performance, liquidity, debt capacity (if any), conditions with debt holders including vendors, taxes and payroll obligations, etc.
4. Consult with your CPA, accountant, bookkeeper or other financial advisors and update your business financial dashboard.

CONDUCT A FINANCIAL ASSESSMENT

TAKE A LOOK AT YOUR FINANCES

5. Review historical pre-COVID-19 business profit and loss statements, cashflows and tax returns;
6. Compare current financial results with historical financial performance;
7. Before meeting with your landlord, consult with your financial advisor or schedule a session with an EDC SBDC business advisor and map out your financial plan and key lease negotiation strategies going forward.

CONDUCT A FINANCIAL ASSESSMENT

TAKE A LOOK AT YOUR FINANCES

8. Determine if the business has a realistic probability of survival, and if there is a plan in place to move forward.

9. Landlords may be amicable to a realistic proposal if they can see that business will survive. EDC SBDC Advisors can help clients prepare a realistic plan, including an acceptable time table.

PANEL DISCUSSION



QUESTIONS

1. What have some successful businesses done to survive the pandemic?
2. What are some considerations for commercial tenants at a crossroads in their business?

QUESTIONS

3. What are some options for commercial tenants who must close the business?
4. What are some legal considerations for commercial tenants to think about?

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Q & A

ADDITIONAL RESOURCES



ADDITIONAL RESOURCES- MENTAL HEALTH

MENTAL HEALTH RESOURCES

www.wellnesseveryday.org

The screenshot displays the homepage of the wellnesseveryday.org website. The header is a solid blue bar containing a menu icon, a search icon, the 'wellness everyday' logo with a sun icon, a Facebook icon, a 'GET HELP' button, and an 'ESPAÑOL' button. Below the header, a grey bar contains the text 'Promoting Mental Health in Ventura County • Suicide Prevention Lifeline: 1-800-273-8255'. The main content area features a 'Learn about...' dropdown menu with a downward arrow. Below this are two featured cards: one titled 'Boost Mental Wellness' with an image of a person's feet in sneakers, and another titled 'PREVENTING SUICIDE HELP & HOPE' with an image of a man's face. At the bottom, a section titled 'MENTAL HEALTH & WELLNESS RESOURCES' is partially visible, showing a row of small thumbnail images.

ADDITIONAL RESOURCES- LEGAL

LEGAL RESOURCES

- Ventura County Bar Association- 805.650.7599
- American Bar Association- 800.285.2221
- University of Southern California Small Business Clinic- 213.740.1928
- LA REPRESENTS <https://corona-virus.la/LARepresents>
- Justia Resource <https://www.justia.com>

ADDITIONAL RESOURCES- NO COST CONSULTING

NO-COST CONSULTING SERVICES AVAILABLE

For businesses that have questions, concerns or need assistance EDC SBDC Advisors can assist providing guidance during this time.

While we know that many of the immediate resources and concerns have been addressed in previous material, the EDC SBDC is available at any time to help businesses create resiliency strategies to re-open or reposition after this disruption.



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ADDITIONAL RESOURCES- FINANCING

EDC DISASTER LOAN FUND

In addition to our traditional EDC loan funds, EDC is offering 4.25% interest loans from \$5,000-\$50,000 through our Disaster Loan Fund to give a cash flow boost to businesses impacted by reduced sales, supply chain disruption or other challenges related to COVID-19. First 3 months interest only. 48 month term.

WOMEN'S ECONOMIC VENTURES (WEV) QUICK RESPONSE LOAN

WEV'S Quick Response Loan is designed to provide financial support to businesses experiencing economic hardship. Loans of up to \$10,000, with a 4.5% fixed interest rate and 36 month repayment term are available to eligible businesses. Visit [WEV's](#) website for more information.

CONTACT INFORMATION

No-Cost Consulting- To connect with an EDC SBDC Advisor, call 805.409.9159 (ENGLISH) or 805.309.5874 (SPANISH).

Obtain a Business Loan- call 805.409.9497

Visit our Website

www.edcollaborative.com/covid19



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