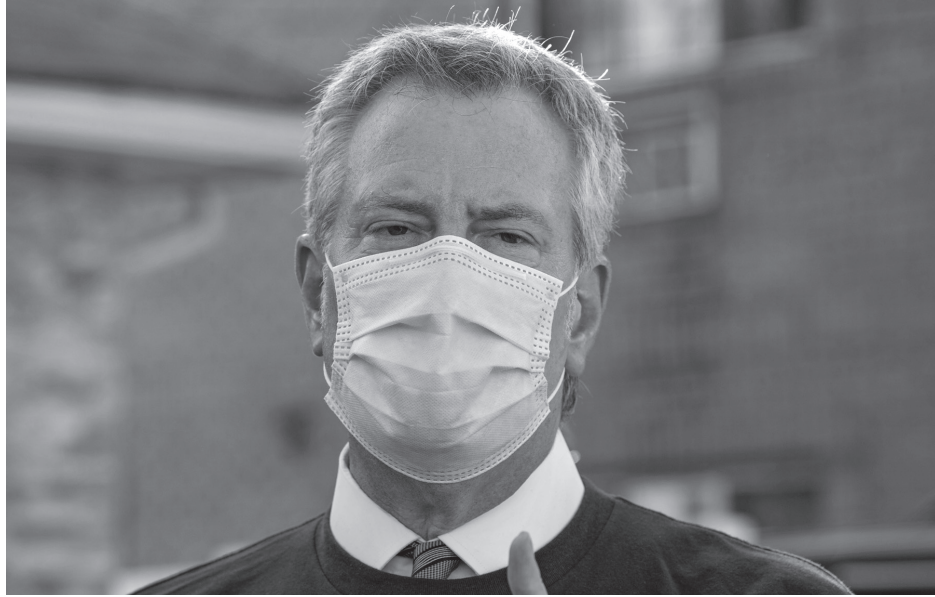


BANKING/ FINANCE

Manhattan's Quiet Christmas Signals Mounting Pain for Retail



SHUTTERSTOCK

New York City Mayor Bill de Blasio has told residents to prepare for a second shutdown of all but essential businesses soon after Christmas to slow a resurgence of the virus.

by Natalie Wong

Manhattan's shopping districts are bracing for a long winter ahead.

Nine months into the pandemic, tourists and office workers are still staying home. Many New Yorkers have fled as the coronavirus rages on. Hundreds of stores and restaurants have shuttered and others are on the brink of closing for good, absent any quick financial relief.

With Christmas and New Year's Eve around the corner, the city's emptiness is especially stark. Fifth Avenue, usually crammed with eager shoppers during the holidays, is eerily quiet. Broadway theaters remain dark, and daily visitor traffic in nearby Times Square is down 70% from last December, according to the Times Square Alliance.

"It looks pretty ugly here for the next couple quarters," said Tom Mullaney, who handles lease and debt restructuring at Jones Lang LaSalle Inc. "I'm concerned that many of the smaller, undercapitalized businesses don't have the liquidity they'll need to get through the next three to nine months."

The final blow for many merchants could come soon. Mayor Bill de Blasio has told residents to prepare for a second shutdown of all but essential businesses soon after Christmas to slow a resurgence of the virus. Indoor dining at the city's restaurants has already been banned.

Manhattan's retail industry was under pressure long before COVID-19 hit, hampered by the growth of e-commerce and shrinking demand for space. Now, there are even more challenges across the city, from Madison Avenue and Fifth Avenue to SoHo. In total, more than 250 ground-floor stores were available for rent in the third quarter, the most in data going back to 2015, according to brokerage CBRE Group Inc. With vacancies mounting, asking rents dropped for a 12th straight quarter.

Brokers say that demand for space has ticked up as landlords adjust rents.

"There are deals to be done but they're deals to be done at a certain price," said Michael Hirschfeld, vice chairman at JLL.

The pandemic has accelerated years of change into just months. Major chains from Neiman Marcus to Modell's Sporting Goods have filed for bank-

ruptcy, leaving swaths of empty stores. From March 1 to Sept. 11, almost 6,000 New York City businesses closed, more than 4,000 of those for good, according to Yelp, the website of user reviews.

The pandemic could permanently shutter as many as a third of the city's 230,000 small businesses that populate commercial corridors, according to the Partnership for New York City.

Signs of financial distress are increasing. Retailers whose revenue has dwindled or disappeared are unable to continue paying rent, leaving landlords with insufficient income to meet mortgage obligations.

The delinquency rate for loans backed by Manhattan retail properties reached 14.6% in November, with roughly \$570 million worth of mortgages requesting Covid-related financial relief so far, according to data firm Trepp.

While delinquencies have improved from an all-time high of 16.8% in August, the distress is concerning because Manhattan retail properties are collateral for \$5 billion worth of loans in commercial mortgage-backed securities, Trepp said in a report this month.

"For many landlords and lenders, this year had been a Band-Aid period of 'Do whatever you can to get to the other side,' but that only lasts so long," said Vik Uppal, chief executive officer of property investment firm Terra Capital Partners. "We're still in early days when it comes to the distress in New York City retail and even real estate, more broadly."

Shrinking valuations are compounding the problem. Manhattan retail properties with new appraisals since July saw an average 53% drop in value from when they were initially securitized, according to Trepp.

To draw in tenants, landlords are increasingly willing to give breaks on rent and other concessions, such as footing the bill for improvements.

Average asking rents in Manhattan's main retail corridors dropped to \$659 a square foot in the third quarter, almost 13% less than a year earlier, CBRE data show. Retail brokers say landlords' expectations for pricing have dropped about 20% to 25% since the pandemic started.

Natalie Wong reports for Bloomberg News.



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **COUNCIL MEETING** on **Wednesday, January 13, 2021 beginning at 10:00 AM**, to consider an Ordinance allowing all local businesses in the City of Doral with an active Business Tax Receipt (BTR) to apply for a temporary BTR with a sunset provision of December 31, 2021, that will serve as a secondary use to their location due to the economic impacts of the COVID-19 pandemic. The City Council will consider this item for **SECOND READING**.

General Public Comments: members of the public that wish to provide comments in writing may do so by emailing the City Clerk at cityclerk@cityofdoral.com. Comments must be submitted with your name and full address by Tuesday, January 12, 2021. The comments will be circulated to the elected officials and administration, as well as remain as a part of the record for the meeting.

Public Hearing Comments: members of the public that wish to provide comments on the Public Hearing item(s) **ONLY**, may register to join the meeting via this link: <https://attendee.gotowebinar.com/register/5293438614868441615>

The meeting will be broadcasted live for members of the public to view on the City of Doral's website (<https://www.cityofdoral.com/government/city-clerk/council-meetings>) as well as Channel 77 and Facebook Live.

The City of Doral proposes to adopt the following Ordinance:

ORDINANCE No. 2020-26

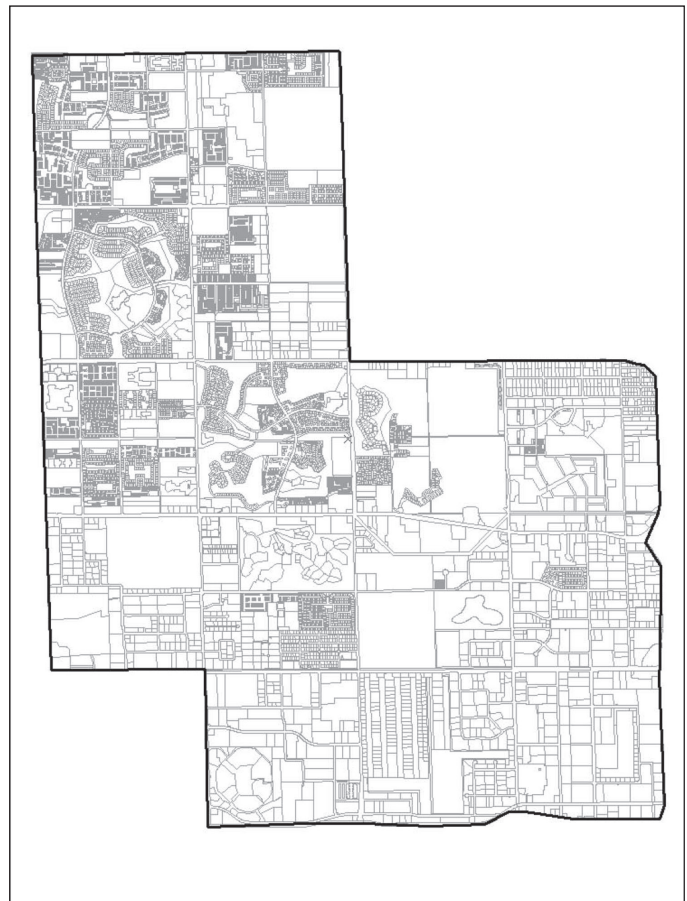
AN ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, AUTHORIZING ALL LOCAL BUSINESSES IN THE CITY OF DORAL WITH AN ACTIVE BUSINESS TAX RECEIPT (BTR) TO APPLY FOR A TEMPORARY BTR WITH A SUNSET PROVISION OF DECEMBER 31, 2021, THAT WILL SERVE AS A SECONDARY USE TO THEIR LOCATION, TO AID IN MITIGATING THE FINANCIAL IMPACTS OF THE COVID-19 PANDEMIC; PROVIDING FOR A REPEALER PROVISION; AND PROVIDING FOR AN EFFECTIVE DATE

HEARING NO.: 20-10-DOR-02

APPLICANT: City of Doral

REQUEST: The City of Doral (the "Applicant") is requesting the Mayor and the City Council approval of an ordinance allowing all local businesses in the City of Doral with an active Business Tax Receipt (BTR), to apply for a temporary BTR with a sunset provision of December 31, 2021, that will serve as a secondary use to their location due to the economic impacts of the COVID-19 pandemic.

Location Map



Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes If a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act, any person who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

Connie Diaz, MMC
City Clerk
City of Doral City of Doral

12/23

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