



ICSC Current Legislative Priorities

The shopping center industry is critical to the economic, civic and social viability of communities across our nation. The majority of the estimated \$6.7 trillion of consumer activity generated by the retail, food & beverage, entertainment and consumer service sectors occurs within America's shopping centers, with nearly 1 out of 4 U.S. jobs retail related. Approximately \$400 billion of state and local taxes that support local communities, public safety resources and infrastructure is generated by the industry. Our industry is at risk if further government action to provide support is not taken.

The latest numbers illustrate the impact of COVID-19 mandated closures on our industry:

- \$16.1 billion lost rent in April and \$19.7 billion lost rent in May (\$35 billion total for 2 months)
- \$123 billion in lost sales
- 12.2 million lost jobs in retail, restaurant and other tenant categories

ICSC, on behalf of its 70,000-member network, is advocating for the following:

COVID-19 Related Policy Priorities

Additional Economic Stimulus – ICSC leads a coalition of 150+ business groups representing the workplaces of 58 million workers calling for additional economic support to provide rapid liquidity to commercial sectors impaired by the coronavirus to help businesses reopen, retain and rehire employees and pay essential business expenses such as rent, utilities and certain debt obligations.

Main Street Lending Program (MSLP) – ICSC continues to urge the Federal Reserve to include owners of passive real estate in the MSLP. The current eligibility standards are inconsistent with the intent of the CARES Act; In addition to changing the eligibility standards, the Federal Reserve should waive the dividend prohibition for REITs as they did for S Corps and other pass-throughs and adjust the maximum loan formula to address the economics of the commercial real estate industry (i.e., higher debt to EBITDA ratios and accommodations for properties under construction or ones that have not reached stabilization).

Business Liability Relief – As businesses like shopping centers and their tenants begin to re-open, they want clarity in rules and regulations to ensure the safety of their employees and customers and prevent unnecessary litigation. Congress should acknowledge that the patchwork of advice, industry practices and state responses during a national emergency creates difficulties to identifying a clear standard of care. Congress should also consider enacting a safe harbor for businesses or even a federal pause in all COVID-19 related negligence lawsuits.

Pandemic Risk Insurance Act (PRIA) – ICSC calls for a prospective federal business interruption program. PRIA provides an initial and significant development in the conversation for an accessible and affordable program to limit exposure to pandemic related revenue interruption and provide businesses with capital to pay essential operating expenses.

CRE Borrower Relief – Establish a program within the Main Street Lending Facilities or another emergency lending program to guaranty liquidity support for the commercial real estate (CRE) market with a focus on those with commercial mortgage-backed security (CMBS) debt. As a result of significant revenue interruption, many commercial real estate borrowers who were in good standing prior to the crisis now face a liquidity crisis due to no fault of their own.

Bankruptcy Relief – ICSC recommends a temporary change to the U.S. Bankruptcy Code to ensure the bankruptcy process does not further disrupt the financial condition of landlords.

Tax – ICSC supports additional relief to help businesses through the next phase of this pandemic: 1) Exempt taxation on phantom income from loan modification, forgiveness or cancellation; 2) Update REIT-related party rules, so property owners can invest in struggling tenants; 3) Extend NOL relief; 4) Further delay tax deadlines for tax payments and like-kind exchanges; 5) Provide incentives for safety and disinfecting equipment; 6) Create a tax credit for rent, mortgage and utility expenses.