



Tom McGee
President & CEO

April 13, 2020

Dear Governor Abbott:

On behalf of our member network of nearly 70,000, the International Council of Shopping Centers (ICSC) applauds your leadership during this historic and difficult time for families, businesses and communities.

However, an existential threat remains, which if left unaddressed, will cause long-term damage to financial markets, rampant unemployment and irreparable harm to communities across our country. The necessary public health and safety actions being taken by federal, state and local officials have resulted in retailers, restaurants, theaters, gyms and other service providers closing. These mandated closures have created a growing and significant threat to the continuity of cash flow between tenant, property owner and commercial lender. An increasing number of national retailers and tenants have publicly expressed their intent to skip monthly lease payments during this crisis. The non-payment of rent will jeopardize the repayment of up to \$1 trillion of secured and unsecured debt held by property owners that underlays the shopping center industry. The subsequent foreclosures would result in empty storefronts and vacant shopping centers across our country, leaving an indelible stain on communities.

The long-term strength of the shopping center industry is critical to the economic, civic and social viability of communities across the nation. The majority of the estimated \$6.7 trillion of consumer activity generated by the retail, food & beverage, entertainment and consumer service industries occurs within America's shopping centers, with nearly 1 out of 4 American 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. This entire industry is at risk if action to support it is not taken.

Specifically, we are asking you to require all regulated banks to offer a 90-day forbearance on all commercial loan obligations underlying the shopping center industry. If public safety requirements mandate it, the forbearance period can be extended and at the end of this period, property owners and banks can negotiate appropriate repayment options. We also request that you consider commercial property tax relief for brick-and-mortar retail during this same time period.

In addition to mortgage forbearance, other possible steps encouraged at the state or local level that will help with economic recovery include:

- 1) Provide temporary relief in the collection of property tax payments as well as Ad Valorem taxes and waive penalties for delinquent payments;
- 2) Provide temporary relief in the collection of business income tax payments and waive penalties for delinquent payments;
- 3) Provide temporary relief from utility fees and waive fines for late payments;
- 4) Provide, if applicable, relief from impact fees other similar state and local fees/taxes;
- 5) Offer Permit extensions to speed the recovery.

Thank you for the opportunity to share these ideas with you. If you or your staff have questions please contact Herb Tyson at htyson@icsc.com or (202) 257-3379.

Sincerely,

A handwritten signature in black ink that reads "Tom McGee". The signature is fluid and cursive, with the first name "Tom" and last name "McGee" clearly legible.

Tom McGee
ICSC President & CEO