

When you Love Shopping Centers, it Shows

Dedicated to Our Communities,
Our Tenants and Our Customers



September 29, 2020

Dear Tenants,

I wanted to reach out and share what we are doing to continue supporting you during these very difficult times. Due to each of your efforts to better engage with your customers and ensuring they are safe when they visit you, we are making great progress in getting traffic back into our centers. As of last week, over 20% of our centers have higher traffic than at the same time last year, and our average traffic level is at about 80% of last year. Yet we have a long way to go, and we won't be satisfied until each of you have returned to a traffic level that enables you to succeed.

There are many things we cannot control. COVID-19 is still spreading and infection and hospitalization rates, while down, are still substantial. And depending on these rates, we are subject to a variety of regulations by State, County and City rules. That being said, there is a lot we know we can do to make our businesses safer, further reduce infection rates and provide the data needed to lift restrictions – require masks, rapid testing for employees and appropriate social distancing.

While we are all still impacted by the effects of this pandemic, we are doing a number of things which we hope will accelerate your success, and our communities return to our shopping centers.

This includes (availability may vary by center and layout):

- Additional signage and PPE to ensure customers understand the importance of social distancing and wearing masks while frequenting your stores. We have provided numerous hand sanitizer stations as well as ensuring our personnel have extra masks to offer customers without them.
- Additional custodial personnel to make sure that the centers demonstrate a very high degree of cleanliness.
- We have continued to improve our outdoor eating and gathering spaces. You will see additional investments in places where your customers can gather outside, as well as our support in helping those who need to offer outside dining or services to find spaces where that can occur in an attractive and safe way.
- The introduction of murals and other artwork to enhance the experience of visiting, as well as bringing community resources to our shopping places.
- The return and enhancement of marketing support – whether drive-in movies or bingo, virtual concert series, direct mail, weekly e-blasts, and enhancements to our center websites. As the holiday season approaches, we are looking at ways to celebrate the holiday season safely.
- We are using technology as a tool to make sure your message reaches your customers, and that we use the information we have about your customer to help you service them better.

There are **TWO** things you can do to help protect and grow your business as we move into the last quarter of this year.

1.Support as diligently as you can the need for additional stimulus for your businesses. There is widespread support for an additional round of PPP, SBA and direct grants for small businesses, restaurants and other businesses directly affected by the pandemic. I have spent an incredible amount of time working with members of Congress and other governmental decision makers over the last 6 month to ensure policymakers are informed as to the needs of our communities, the tools government can provide our businesses, and what stimulus would benefit your customers.

I believe we need stimulus to support our tenants as soon as possible, and hopefully adequate to provide relief through the end of the year. There is a bill that has been supported (in fact co-sponsored by 56 senators of both parties) called the RESTART Act. If you want to review the bill, you can look at <https://www.congress.gov/bill/116th-congress/senate-bill/3814>. If you wish to support the bill, we have a very short window to get this bill through before the election, I would send an e-mail to House Speaker Nancy Pelosi (<https://www.speaker.gov/contact>), and Senator Mitch McConnell (<https://www.mcconnell.senate.gov/public/index.cfm/contact?p=ContactForm>), urging the immediate need for stimulus to support your businesses.

2.Many of the States we do business in are in severe financial distress and are looking for additional tax revenue. Many of these efforts may produce additional short-term revenue but will cause long-term damage to our efforts to recover from the economic distress caused by this pandemic. It has been our position that we need to ease the regulatory and tax burden for small businesses. While the temptation is to raise taxes to cover deficits in state budgets, the best way to accomplish that is through growing sales and the increasing sales tax that would come from the recovery of our tenants.

In California, one initiative which we are opposed to is Proposition 15 which is designed to raise taxes on all commercial properties throughout California increasing the tax burden between \$7.5 - \$11 billion a year by removing these properties from the benefits of proposition 13 protection. We are opposed for a number of reasons, but in our case the most significant reason is that as a long-term holder of real estate our property taxes only increased by the maximum increase allowed by Proposition 13, about 3% a year. This results in a much smaller tax burden being passed along to our tenants.

If Proposition 15 passes, the tax burden of most of our tenants would go up significantly, and costs to your customers will rise as well. **We urge a no vote on Proposition 15.**

We ask you to investigate this Proposition (<https://noonprop15.org/>) and draw your own conclusions. If you conclude, as we do, that this will create additional costs at exactly the wrong time for your businesses, your customers and your employees, I would encourage you to make sure you educate those you know as to your views. I am always available to provide additional perspective as to why we are making these recommendations.

I hope you find this information useful. As we move through this crisis, we will continue to do all we can do to support your businesses, improve our shopping centers, and ensure as we recover we are in the best position to have our best years be ahead of us.

Thank you for your hard work, for your support of the community, and for keeping the American Dream alive and well.



Sanford D. Sigal
President and Chief Executive Officer
NewMark Merrill Companies



Another Shopping Center Managed by NewMark Merrill Companies

www.newmarkmerrill.com