

18 January 2021

Re: ACDBE Debt Crisis: Local & Small businesses survival threatened by the COVID-19 pandemic

Dear Sky Harbor Concessions Operators,

As members of the Phoenix City Council, we greatly value the participation of our Airport Concessions Disadvantaged Business Enterprise (ACDBE) partners. We have worked diligently with our colleagues on the Council to address the challenging situation that the COVID-19 pandemic has created for ACDBE operators and their prime partners. We have supported financial relief for concessionaires twice; on June 8, 2020 (Ordinance S-46708) and on December 16, 2020 (Ordinance S-47197). The food and beverage and retail concessionaires will now only need to pay a percent of rent through December 31, 2021, which represents a drastic reduction in rents due to the City of Phoenix.

Furthermore, when the City of Phoenix received its allocation from the Coronavirus Aid, Relief and Economic Security (CARES) Act, our Council worked to set aside \$15.7 million for business assistance throughout our entire city. We specifically created an Airport Small Business Concessionaire Grant program to directly assist ACDBE participants. This program has successfully allocated \$1 million to 18 small business concessionaires at our airport.

Now, the City Council has been approached by ACDBE concessionaires asking for a 3-year extension of their contracts for Terminal 3 (which expire in 2030) and Terminal 4 (which expire in 2023). In their request for contract extensions, the ACDBEs asked us to consider the "...civil unrest of 2020 and the highly visible divide being created with minorities in a Presidential election year." We have seen the rise in hate crimes in Arizona, the storming of the US Capitol by domestic terrorists wielding Confederate flags, and the despicable, racist attack on Phoenix Vice Mayor Calvin Goode's virtual memorial service. We share these concerns and ask our minority-owned businesses to help our Council lead the charge against discrimination in any form within our City.

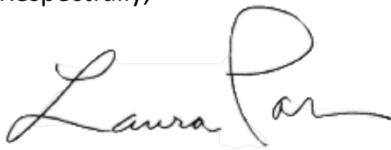
We ask that our ACDBE concessionaires and their prime business partners join in making real and concrete efforts against discrimination. We ask that you mutually agree to support the following provisions in a 3-year contract extension:

1. Non-discrimination language prohibiting discrimination in employment on the basis of race, color, national origin, religion, sex, age, or disability;
2. Requirements for "equal pay" found in Terminal 3 leases in Exhibit 8 (Supplemental Terms and Conditions to All Airport Agreements) in Section C (City of Phoenix Equal Employment Opportunity Requirements) be included in all concessions' contracts;

3. Language making clear that compliance with the non-discrimination covenants are a material part of the contract. As with other material parts of the contracts, the City will have the right to terminate the lease agreement if the commitments are breached, following a notification and curing period;
4. A requirement that all lessees (and any sub-lessees) provide the City with a plan detailing their non-discrimination policies, training procedures to end discrimination in the workplace, and all other alternatives they utilize to prevent discrimination;
5. A requirement that all lessees (and any sub-lessees) disclose to the City on an annual basis all information and data that demonstrates their compliance with the equal pay commitment and non-discrimination requirements.

Only through real and meaningful action will our City and its partners be able to stop the rising spread of hate and discrimination in our community. Let us make 2021 the year that we move from words and intentions to decisive action.

Respectfully,

A handwritten signature in black ink that reads "Laura Pastor". The signature is fluid and cursive, with the first name being more prominent than the last.

Laura Pastor
Phoenix City Council – District 4

A handwritten signature in black ink that reads "Betty Guardado". The signature is cursive and somewhat stylized, with the first name being the most legible part.

Betty Guardado
Phoenix City Council - District 5

A handwritten signature in black ink that reads "Carlos Garcia". The signature is cursive and somewhat stylized, with the first name being the most legible part.

Carlos Garcia
Phoenix City Council – District 8