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Leader of US shopping center lobby issues statement as malls gasp for breath

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U.S. department store chain Neiman Marcus, currently in Chapter 11 bankruptcy proceedings, has four big leases for sales in malls across the United States. Department stores typically anchor malls in the U.S. and their departure typically triggers escape clauses for other brands and retailers. Image credit: ICSC

By LUXURY DAILY NEWS SERVICE

The U.S. shopping mall is fighting for its existence as the COVID-19 coronavirus outbreak has temporarily shuttered stores and restaurants in these theatres of retail that are home to luxury goods and specialty brands.

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As the very viability of the shopping center industry of which luxury retail is a significant component is at stake, shopping center lobby ICSC's president/CEO, Tom McGee, has released a statement commending U.S. Congressmen Vela and Gooden for introducing the Small Business Comeback Act.

"The majority of the estimated \$6.7 trillion of consumer activity generated by the retail, food and beverage, entertainment and consumer service industries occur within America's shopping centers, with nearly one out of every four American jobs retail related," Mr. McGee said.



Tom McGee is president/CEO of ICSC

Here is what Mr. McGee had to say in his full statement:

"We applaud Congressmen Vela and Gooden for outstanding leadership in advancing the Small Business

Comeback Act, which is the type of broad-based policy solution needed to stabilize the U.S. economy. As our nation continues to combat the virus, the fund created by the legislation would provide the capital needed for businesses, including small shopping center owners and their tenants, to survive, recover and drive employment growth.

"The proposed legislation would provide federal grants prioritized for the most impacted businesses. Under the authority of a federal administrator, the program would be focused and flexible to adapt to the ongoing and constantly shifting challenges of the COVID-19 crisis. The requested relief would enable efforts to keep employees on the payroll, maintain worker benefits and meet debt and rent obligations. Strong anti-abuse provisions, such as audit requirements, would be included.

"We believe the establishment of a fund as called for in the Small Business Comeback Act is the most holistic approach to address the economic impact of this crisis, without choosing industry winners or losers. The continuity of cash flow it would provide will allow businesses to maintain their employees and emerge better positioned to advance an economic recovery. It would also maintain the integrity of contractual obligations that underpin the smooth functioning of business activity and the confidence of those who invest in the U.S. economy. We believe this framework can assist all businesses impacted by COVID-19, regardless of size, industry or location.

"ICSC, with a member network of nearly 70,000, represents owners, developers, financial institutions, professional service providers and importantly, shopping center tenants such as retailers, restaurants, gyms, health centers and service providers. Nearly 70 percent of shopping center tenants are small businesses that employ less than 10 people. The majority of the estimated \$6.7 trillion of consumer activity generated by the retail, food-and-beverage, entertainment and consumer service industries occur within America's shopping centers, with nearly one out of every four American jobs retail related.

"The long-term strength of the shopping center industry is critical to the economic, civic and social viability of communities across the country. Without broad-based federal action, the impact of mandated closures put in place by federal, state and local officials will result in significant economic damage, empty storefronts and vacant shopping centers across the country."

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