March 17, 2020

The Honorable Gavin Newsom
Governor, State of California
California State Capitol
Sacramento, CA 95691

RE: Executive Order N-28-20 and State Response to COVID-19
Support from Commercial Real Estate Industry

Governor Newsom:

The California Commercial Real Estate industry has been actively working to respond to and mitigate the spread of Coronavirus since it was first recognized as a potential public health risk. We support efforts by you and the State of California to manage this unprecedented emergency. The actions you have taken in the past week to limit public interactions to stop the spread of COVID-19 will mitigate a much larger and longer-term economic disaster.

We are working with our members and engaging at the local level to comply with the above referenced Executive Order and do everything we can to minimize disruption of our employees and tenants, and communicating best practices to building owners and managers on how to be part of the effort to fight this pandemic.

In California, we have over 6 billion square feet of private commercial real estate. This includes companies of all sizes from a single person that owns one building, to some of the largest multi-national real estate companies – and everything in between. Commercial real estate encompasses everything from small offices, grocery stores, large and small retailers and shopping centers, to manufacturing plants and distribution centers.

We applaud the fact that your order allows grocers and retailers that sell key products to remain operational during this time of crisis.

As information and responses to COVID-19 continue to evolve, the commercial real estate industry and its constituent – owners, managers, and service providers of office, industrial, and retail real estate -- offer their help, assistance, and expertise to the Governor, legislators, and local leaders.

We have an urgent interest in working with the public sector to assure our industry and jobs it provides, can be part of our state’s recovery.
To that end, we call on local governments to coordinate and provide as close to a uniform response as possible in implementing your Executive Order. Clear and consistent policies across the state will provide the least amount of disruption for tenants and building owners alike.

We also call on the state to look at ways to mitigate economic impacts of the Executive Order on property owners who also have financial obligations to employees (janitors, landscapers, operational engineers, etc.), service providers (environmental and energy services), contractors (tenant/building improvements), regulatory and statutory mandates (e.g. GHG mitigation through energy efficiency), and lenders, with ways to enable fiscal stability in the short-run.

The state may want to consider deferral of parcel and property taxes to assure liquidity, encourage companies to take advantage of state and federal assistance programs, enable use of business interruption and other types of insurance, and identify gaps in coverage for companies and provide direct state support. Other ideas will emerge, and we hope our industry will be at the table of stakeholders to bring them forward.

As this crisis continues to evolve, we stand ready to help the state recover and provide technical expertise as well as a direct communication conduit to over 10,000 companies in the commercial real estate industry.

CBPA is the designated legislative advocate for the International Council of Shopping Centers (ICSC), the California Chapters of the Commercial Real Estate Development Association (NAIOP), the Building Owners and Managers Association of California (BOMA), the Retail Industry Leaders Association (RILA), the Institute of Real Estate Management (IREM), and AIR CRE.

Please let us know how we can continue to help during this COVID-19 emergency. Your staff can contact me (916-947-8880/rexhime@cbpa.com) or Matthew Hargrove, CBPA Sr. Vice President for Government Relations (916-248-9533/mhargrove@cbpa.com).

Respectfully,

Rex S. Hime
President & CEO

cc: The Honorable Toni Atkins, President pro Tempore, California State Senate
The Honorable Shannon Grove, Senate Republican Leader, California State Senate
The Honorable Anthony Rendon, Speaker, California State Assembly
The Honorable Marie Waldron, Assembly Republican Leader, California State Assembly
Lenny Mendonca, Director, Governor’s Office of Business and Economic Development (GO-Biz)
Douglas Wiele, Chair, California Business Properties Association
Betsy Laird, Senior Vice President, International Council of Shopping Centers
James Camp, Chair, NAIOP of California
David Foley, Chair, Building Owners and Managers Association of California
Jeff Hickox, Chair, IREM California Council
Tim Hayes, Executive Director, AIR CRE
Matthew Hargrove, Senior Vice President, Government Relations, CBPA