



## Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember Jimenez

**SUBJECT:** SEE BELOW

**DATE:** April 13, 2020

Approved

Date: 04.13.2020

**SUBJECT: TEMPORARY FINANCIAL RELIEF TO NON-AERONAUTICAL CONCESSIONAIRES AND AMENDMENTS TO NON-AERONAUTICAL AGREEMENTS AT NORMAN Y. MINETA SAN JOSE AIRPORT**

### RECOMMENDATION

1. Authorize the City Manager to negotiate amendments to concession agreements to provide temporary financial relief to non-aeronautical concessionaires operating on Airport premises to support Airport concession operations that have been directly impacted by Airport passenger declines as a result of the COVID-19 pandemic AND bring back a negotiated agreement to City Council for final review and approval.
2. Direct Airport staff to continue engaging employee representatives and work towards facilitating conversations between concessionaires and employee representatives with a goal of reaching an agreement on the following:
  - a. Commitments from concessionaires in protecting the health of their laid off employees and exploring the idea of additional health care contributions.
  - b. Restoration of health coverage immediately upon return to work.
  - c. Exploring the possibility of concessionaires contributing to a fund that provides food relief for laid-off airport workers.
  - d. Agreements that ensure a safe workplace for concessions workers that include rigorous safety protocols in place at all points of sale for those who are still working and others when they return to work.
3. Airport staff shall present to council how they determined the financial relief period of March 1, 2020 – July 31, 2021 and the possibility of granting a shorter financial relief period subject to return of business, lifting of travel restrictions, and other factors that deemed appropriate.

### BACKGROUND

Concessionaires at Norman Y. Mineta San Jose Airport (SJC) are clearly being adversely impacted by the COVID-19 pandemic. Some may need financial relief, and we should authorize the City Manager to negotiate such relief with them. However, in directing and empowering the City Manager to conduct those negotiations, we must also provide specific guidance regarding the terms of that relief and conditions for granting such relief

especially related to the protection of airport concession employees. The City Council should also review and approve such negotiations.

Concession employees- most of whom are laid off and enduring severe hardships during the COVID-19 crisis should be included in any and all negotiations for relief. Losing health coverage during a global pandemic could be detrimental for laid off workers, therefore, concessionaires should fund coverage for all workers as long as possible. Additionally, workers should immediately recover their full health benefits upon returning to work. Without such considerations workers might come to work sick and put travelers and their co-workers at risk.

Separately with regard to health and safety, we should put in place steps to make sure that concessionaires do everything they can to protect frontline employees from infection, including those working now and others as they return to work. Finally, we should also make sure that concessionaires commit to funding emergency food assistance for laid-off workers, many of whom will undoubtedly suffer food insecurity while they are unemployed.

Regarding the duration of relief that the City Manager negotiates with airport concessionaires, it is important that the City not give more relief than is truly needed. The City should grant initial temporary relief for a period no longer than 90 days, with further relief dependent on economic conditions driven by COVID-19. Given that airport concessionaires may be able to make use of funds through the CARES Act or other future legislation, we need to be sure that the concessionaires who ask the City for relief are also aggressively pursuing all federal and state assistance available. Lastly, in order to ensure that concerns including those articulated above are addressed, the City Council must review and approve any negotiated amendments to concession agreements.