

Attachment C



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Suite 300
Ashburn, VA 20147, USA
foodtravelexperts.com/america

December 14, 2020

Ms. Charlene Reynolds
Interim Aviation Director
City of Phoenix Aviation Department
2485 East Buckeye Road
Phoenix, AZ 85034-4405

Dear Ms. Reynolds:

The purpose of my correspondence is to request contract extensions for SSP America, its joint venture partner S. Levy Foods and six subtenants. SSP America and its partners are proud members of the Phoenix Sky Harbor International Airport (PHX) community. We initially began to provide restaurant services to the Airport in 2013 when we began operating restaurants in Terminal 4. In 2018, our team was delighted to win a second contract to provide restaurant services in Terminal 3. Our team has been dedicated stewards of the responsibilities awarded us, and we're proud to report that 49% of our sales are generated by our Airport Concessions Disadvantaged Enterprises (ACDBE) partners.

COVID-19 has been the most destructive event to ever hit the travel industry. The impact of the crisis will cast an exceptionally long shadow over air passenger demand for years to come with prognoses for a full recovery not expected to happen until 2024 to 2025 or beyond.

Unfortunately, the impact of COVID-19 has been significant, and given the loss of passengers at the Airport as a result of COVID-19, our operations and financial well-being have been severely impacted.

Since March of 2020 SSP America and its partners have operated at a significant loss due to a dramatic reduction in passenger volumes which are averaging under 48% compared to the 2019 travel numbers at PHX. Nine months since the onset of COVID-19, our sales are still down 60% over 2019 and more than 60% of our locations are closed. In Terminal 3 eight of our nine restaurants are closed due to the impact of COVID-19 and have never realized a profit during their entire operation. We have also experienced losses due to our willingness to open new locations per the Airport's request to maintain service to the traveling public.

SSP America and its partners have invested a total of \$49 million into the Terminal 3 and Terminal 4 projects. SSP America, our joint venture partner S. Levy Foods and subtenants still carry a current combined debt of \$24 million which includes refurbishments for Terminal 4, and the investment for the new Terminal 3 contract.

As our Terminal 4 contract stands today, there is less than three years remaining on the contract which expires in October 2023. From now until October 2023, we expect to operate at a loss given the travel prognoses.

I'm a food travel expert from SSP America. We're passionate about bringing cool, authentic restaurants to airports that reflect a taste of place.

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The below chart details 2019 actual sales, 2020 projected sales and debt for each partner:

| Company | Restaurants | 2019 Sales (Actual) | 2020 Sales (projected) | YOY | Debt as of December 2020 |
|-------------------------|-----------------------|-----------------------|------------------------|---------------|--------------------------|
| CAM Concessions | Panda Express | \$2,673,743 | \$1,591,980 | -40.5% | \$529,758 |
| ELPX Restaurant Group | Wendy's & Yogurtology | \$3,585,620 | \$1,680,603 | -53.1% | \$120,380 |
| Carpe Dulce, LLC | T4 Vending | \$259,450 | \$233,043 | -10.2% | \$12,000 |
| TC Flies, LLC | Tammie Coe To-Go | \$1,572,885 | \$754,467 | -52.0% | \$12,000 |
| TLB Hospitality, LLC | Wildflower (2) | \$5,920,533 | \$1,944,220 | -67.2% | \$1,591,763 |
| Mosby and Company, Inc. | Peet's Coffee (2) | \$5,024,581 | \$1,730,868 | -65.6% | \$1,690,086 |
| S. Levy Foods | JV Partner | See SSP America, Inc. | See SSP America, Inc. | -- | \$2,090,414 |
| SSP America, Inc | Prime Concessionaire | \$56,867,167 | \$20,234,133 | -64.4% | \$18,532,074 |
| TOTALS | --- | \$75,903,979 | \$28,169,314 | -62.9% | \$24,578,475 |

I request a three-year contract extension for the two contracts we have in place given the stark reality of expected passenger numbers in the coming years. Without the three additional years of term, nearly all of the businesses inside our lease will not be in a position to pay their debts. Our return on investment will continue to erode for three to five years and a contract extension offers us a significant and meaningful path forward.

I appreciate your attention to this critical matter and am available to discuss further or provide additional details as needed. I can be reached at (602) 319-9884 or scott.welding@foodtravelexperts.com

Sincerely,



Scott Welding
Vice President
Business Development