

UNITEHERE! Local 11

June 10, 2021

Via Email

Starbucks Executive Officers and Board of Directors
2401 Utah Avenue South
Seattle, WA 98134

Dear Mr. Kevin Johnson,

We are employees of HMS Host at Phoenix Sky Harbor Airport where we work at Starbucks locations. We write to express our deep frustration with understaffing.

Through our hard work, we generate enormous sales for the company, serving Starbucks coffee, drinks and snacks to a constant flow of Sky Harbor guests. However, our jobs are not sustainable. We are under enormous pressure every day to perform our work to the company's high standards, but without the workforce we need to do so. Because of understaffing--including inadequate scheduling of both workers and trained managers--we find ourselves rushing to fulfill orders in an extremely difficult environment. We sometimes have a fraction of the number of workers we should, to operate our sites. Our breaks sometimes have to wait while we get through long lines. Long lines can also mean we are dealing with angry and unpleasant patrons. We sometimes work longer than we are scheduled to close down operations, since with fewer staff it takes much longer than it should to close. Many of our coworkers--who apparently could not handle the stress or found better opportunities elsewhere--have quit in recent weeks.

We know these realities because we live them every day. But the hard numbers also demonstrate the crisis with understaffing:

- HMS Host's parent company Autogrill reported a 57% turnover rate for incoming employees in North America. Autogrill reported that they reduced the number of location employees in North America by 65% from 2019 to 2020.
- At Sky Harbor, as of December 2020, the company recalled 347 employees, with 253 accepting a recall offer out of 756 employees prior to the pandemic (31% of the employees).

Low staffing cannot be explained by reduced operations or low sales:

- Currently, there are 59 actively scheduled baristas and leads at the five open Starbucks locations. Yet, just prior to the pandemic we had 139 baristas and leads operating the seven Starbucks locations.
- At the same time, sales are at a very high level. In April 2021, two of the five open Starbucks locations not only achieved their pre-pandemic sale levels from April 2019 but exceeded them. The Terminal 4 baggage claim location had 47% more sales, while the Terminal 3 lobby location had 73% more sales. In April 2021, a third Starbucks location made 91% of their April 2019 sales.

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- In the Terminal 4 baggage claim location, which has had increased sales, we had 10 employees prior to the pandemic and now we have just three employees.

The high level of sales we are dealing with reflects that air travel has returned. Data from the City of Phoenix for April 2021 show nearly 1.6 million enplanements at Sky Harbor, a 1013.6% increase from April 2020. The April 2021 numbers show that the airport is at 79% of pre-pandemic enplanement levels when compared to April 2019. In April 2021, there were 3.2 million total enplanements and deplanements, approximately 79% of April 2019 levels.

Yet despite high sales and high air traffic, we have well less than half of our former staff.

In addition, the City of Phoenix granted HMS Host significant relief in the form of a waiver of the minimum annual guarantee (MAG), a method of charging rent at airports, allowing HMS Host to instead pay a percentage of their sales as rent until December 2021. While we do not know the amount in percentage rent HMS Host paid in lieu of MAG payments to the City of Phoenix, UNITE HERE Local 11 values the MAG waiver at approximately \$10.9 million for HMS Host's two contracts at Phoenix Sky Harbor Airport for the period from March 2020 to May 2021, since the company would have otherwise been contractually obligated to pay this amount to the City of Phoenix. This puts Host in the position of neither paying full rent, nor paying a full workforce, while enplanements are back in force.

The understaffing issues we face have a clear solution: Host needs to invest more in its workers. Our wages are low and the health care we have access to through Host is so expensive that only 165 Host workers were enrolled in the company plan as of April 1, 2021, with only 50 of us covering any family members through the plan. Sky Harbor Starbucks workers constantly have to deal with the fear of being exposed to the COVID-19 virus by the travelling public. Workers do not want to return to jobs that cannot sustain their families and put them at a higher risk for COVID with no affordable health insurance should the worst occur. We are not surprised that Host claims it has had a hard time hiring new workers under these conditions. We have been in contract negotiations for over three years with Host, demanding that it substantially increase all workers' wages and provide access to affordable family health care. We believe the company could solve its staffing issues in Phoenix much more readily were it to agree to these goals.

We are asking you to contact HMS Host and urge them to solve our staffing crisis at Sky Harbor by raising wages and benefits immediately as we have been demanding for years. Please contact us at your earliest convenience.

Sincerely,

Sabrina Romero
Chelsea Martinez
Ana Cortes
Cassandra Presume
Susana Islas
Mayra Castellanos Martinez
Valeria Sanzon

Alexander Maestas
Deyanira Lara
Guadalupe Rincon
Scott Matos-Elliott
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