

## Communication from Public

**Name:** Gary Hytrek  
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**Comments for Public Posting:** Please see the attached letter.



## CALIFORNIA STATE UNIVERSITY, LONG BEACH

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### DEPARTMENT OF GEOGRAPHY

April 24, 2025

Dear Los Angeles City Council Members,

As the LA City Council considers raising wages and health benefits for its tourism workers, the Council should consider not only its past efforts to raise wages and its impact on the broader economy, but to regional examples.

Let's look at Long Beach, where voters enacted Measure N in 2012, which raised wages for Long Beach hotel workers. Evidence shows that every key metric has risen since approval, and the industry is healthier today than it was in 2013.<sup>1</sup> In 2024, Long Beach residents once more responded to the plight of low-wage workers by passing Measure RW to raise hotel worker wages to \$23/hour in July of that year - a 32% increase - with an annual escalator up to \$29.50 by 2028. Again, we heard dire predictions by the industry that hotel performance would suffer, visitors would decline, and that Long Beach would lose tax revenue.

Just as in 2012, those claims did not materialize. A year after the implementation of Measure RW, we see not only improved working conditions for hotel workers and a commitment that they will share in Long Beach City's success, but increased TOT and growth in the local hotel market. CoStar - the leading real estate market analytics firm - reported that **hotel ADR, occupancy rates and RevPAR in March 2025 were all substantially higher compared to the same period in the previous year. RevPAR, in particular, which is the strongest measure of hotel profitability and accounts for occupancy and daily rates, was 15.7% higher.**

By all measures, Long Beach's hotel market is projected to experience healthy growth and in 2024 overall, ADR and RevPAR were both significantly above pre-pandemic levels.<sup>2</sup> As evidenced by the increased occupancy rate, room demand was also up in March 2025 year-over-year. Yet, when Measure RW first came before Long Beach City Council, and later the voters, we heard repeatedly from business interests how disastrous raising hotel wages would be for hotel performance, just as you are hearing now.

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<sup>1</sup> Los Angeles Alliance for a New Economy. 2024. *The Impact of Low Wages On Long Beach Hotel Workers*. <https://laane.org/research/the-impact-of-low-wages-on-long-beach-hotel-workers/>

<sup>2</sup> Long Beach Hospitality Submarket: CoStar. Accessed April 19, 2025. Comparing March 2025 to March 2024, occupancy rates were 75.7% versus 72.9%, ADR was \$215.22 versus \$193.12, and RevPAR was \$162.89 versus \$140.84. <https://www.longbeach.gov/globalassets/finance/media-library/documents/city-budget-and-finances/budget/budget-documents/fy-25-adopted-budget/fy-25-adopted-book> p162, p235. Long Beach budget documents do not disaggregate TOT by hotel and short-term rental collection.

For Long Beach City's financial position, we heard similar arguments that taxes would decline if hotel wages were increased.<sup>3</sup> Instead, Long Beach's Financial Management department estimated collecting TOT that exceeded budget projections for the fiscal year RW was implemented, increasing 3.6% from the previous fiscal year. In FY25, TOT is expected to increase an additional 5% and continue growing for every year projected.<sup>4</sup>

Long Beach has the special designation of hosting the second most Olympic and Paralympic events after Los Angeles, and of being the most recent city in Southern California to ensure that its tourism economy benefits all Long Beach residents. Contrary to industry alarmism, Measure RW has demonstrated that lifting up workers does not come at the expense of a growing tourism industry. When workers do well, our communities do well. We've seen time and time again when we put more money in the pockets of workers who are also our neighbors, it multiplies throughout our communities, creating a cycle of shared prosperity.

I urge you to put our communities first; pass this policy and support what could be a new regional standard for a tourism economy that works for all.

Sincerely,



Gary Hytrek, PhD  
Professor of Social Geography  
Advisor, M.A. Program  
Interim Director, GeoSpace Lab for Community Engaged Research

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<sup>3</sup>[https://www.longbeach.gov/globalassets/city-clerk/media-library/documents/elections/2024/rebuttal-argument\\_for-measure-rw-webposting](https://www.longbeach.gov/globalassets/city-clerk/media-library/documents/elections/2024/rebuttal-argument_for-measure-rw-webposting); <https://www.presstelegram.com/2024/03/03/measure-rw-has-nothing-to-do-with-loving-thy-neighbor-its-a-cynical-union-power-grab/>

<sup>4</sup> <https://www.longbeach.gov/globalassets/finance/media-library/documents/city-budget-and-finances/budget/budget-documents/fy-25-adopted-budget/fy-25-adopted-book> p.235