

Communication from Public

Name: Jason Riederer

Date Submitted: 11/15/2024 03:00 PM

Council File No: 14-1371-S13

Comments for Public Posting: November 15, 2024 The Honorable Marqueece Harris-Dawson President, City Council Los Angeles City Hall 200 N. Spring St., Room 450 Los Angeles, CA 90012 Dear Council President Harris-Dawson: The American Hotel & Lodging Association is staunchly opposed to the Economic, Community Development and Jobs Committee's recommendations to amend the Los Angeles Hotel Worker Minimum Wage Ordinance. The operating environment for Los Angeles hotels has long been challenging and this proposal ignores the economic reality that our industry has been severely impacted over the past several years. With newly enacted city mandates, high operating costs, high interest rates, an occupancy decline, and the largest hotel strike in U.S. history, which resulted in impacts to conferences and convention bookings similar to the COVID-19 pandemic, enacting this proposal may result in forced layoffs or hotel closures. The Los Angeles hotel market remains below 2019 occupancy levels and is one of two major markets that declined in the last twelve months. Yet, since the pandemic, the Los Angeles hotel worker minimum wage has increased \$3.69 per hour, bringing our industry's minimum wage rate to \$20.32 per hour, plus benefits. Meanwhile, the minimum wage for almost every other industry is \$17.28 per hour. Additionally, with the enactment of the Hotel Worker Protection Ordinance, hotels with over 45 rooms are currently required to pay double the hotel worker minimum wage for the entire shift should an employee work above a certain square footage. This results in compensating employees at \$40.64 per hour in certain situations, which has become more common due to the continuation of our industry's workforce shortage. Under this proposal, Los Angeles hotels will be required to pay a minimum wage of up to \$60 per hour in certain situations, which is roughly the equivalent of a \$125,000 salary. This is unworkable and will essentially result in only union hotels being able to comply since they are exempted through waivers from both the Citywide Hotel Worker Minimum Wage Ordinance and the Hotel Worker Protection Ordinance. Thus, the only method of relief for hoteliers will come from agreeing to a collective bargaining agreement since union hotels are carved out—illustrating the true intent of the proposal. Moreover, the city's challenging wage structure, combined with a severe workforce shortage, will be further

exacerbated by the limiting of subcontractors for maintaining normal operations and addressing prolonged job vacancies. The use of subcontracting is critical for hoteliers and ensures that specialized tasks are performed when in-house staff lack the requisite skills or training. Compounding this challenging business environment for Los Angeles hoteliers, the city's "mansion tax," which added a 5.5% tax on transactions over \$10 million, has stopped hotel sales completely. No hotels that would have paid this tax have been sold since its enactment, a stark difference from the \$1 billion in average transactions from 2014 to 2019. Investors and developers are now hesitant to move forward in Los Angeles because of the net effect of these laws and the constant threat of new proposed policies, such as the ballot initiative to place unhoused individuals in vacant hotel rooms next to paying guests, which also negatively impacted our industry. Make no mistake, the Los Angeles hotel industry is nearing an irreversible tipping point. If these proposed recommendations become law, we fear our members' collective ability to continue maintaining the city's vibrant tourism economy and high-level guest experience that visitors from around the world have come to expect from Los Angeles, and are expecting for the World Cup, NBA All-Star Game, Super Bowl, and Summer Olympics. Thank you for your attention to this critically important issue and we appreciate your reconsideration of this proposal. Sincerely, Jason Riederer Vice President, State & Local Government Affairs American Hotel & Lodging Association



November 14, 2024

The Honorable Marqueece Harris-Dawson
President, City Council
Los Angeles City Hall
200 N. Spring St., Room 450
Los Angeles, CA 90012

Dear Council President Harris-Dawson:

The American Hotel & Lodging Association is staunchly opposed to the Economic, Community Development and Jobs Committee's recommendations to amend the Los Angeles Hotel Worker Minimum Wage Ordinance. The operating environment for Los Angeles hotels has long been challenging and this proposal ignores the economic reality that our industry has been severely impacted over the past several years. With newly enacted city mandates, high operating costs, high interest rates, an occupancy decline, and the largest hotel strike in U.S. history, which resulted in impacts to conferences and convention bookings similar to the COVID-19 pandemic, enacting this proposal may result in forced layoffs or hotel closures.

The Los Angeles hotel market remains below 2019 occupancy levels and is one of two major markets that declined in the last twelve months. Yet, since the pandemic, the Los Angeles hotel worker minimum wage has increased \$3.69 per hour, bringing our industry's minimum wage rate to \$20.32 per hour, plus benefits. Meanwhile, the minimum wage for almost every other industry is \$17.28 per hour. Additionally, with the enactment of the Hotel Worker Protection Ordinance, hotels with over 45 rooms are currently required to pay double the hotel worker minimum wage for the entire shift should an employee work above a certain square footage. This results in compensating employees at \$40.64 per hour in certain situations, which has become more common due to the continuation of our industry's workforce shortage.

Under this proposal, Los Angeles hotels will be required to pay a minimum wage of up to \$60 per hour in certain situations, which is roughly the equivalent of a \$125,000 salary. This is unworkable and will essentially result in only union hotels being able to comply since they are exempted through waivers from both the Citywide Hotel Worker Minimum Wage Ordinance and the Hotel Worker Protection Ordinance. Thus, the only method of relief for hoteliers will come from agreeing to a collective bargaining agreement since union hotels are carved out—illustrating the true intent of the proposal.

Moreover, the city's challenging wage structure, combined with a severe workforce shortage, will be further exacerbated by the limiting of subcontractors for maintaining normal operations and addressing prolonged job vacancies. The use of subcontracting is critical for hoteliers and ensures that specialized tasks are performed when in-house staff lack the requisite skills or training.



Compounding this challenging business environment for Los Angeles hoteliers, the city’s “mansion tax,” which added a 5.5% tax on transactions over \$10 million, has stopped hotel sales completely. No hotels that would have paid this tax have been sold since its enactment, a stark difference from the \$1 billion in average transactions from 2014 to 2019. Investors and developers are now hesitant to move forward in Los Angeles because of the net effect of these laws and the constant threat of new proposed policies, such as the ballot initiative to place unhoused individuals in vacant hotel rooms next to paying guests, which also negatively impacted our industry.

Make no mistake, the Los Angeles hotel industry is nearing an irreversible tipping point. If these proposed recommendations become law, we fear our members’ collective ability to continue maintaining the city’s vibrant tourism economy and high-level guest experience that visitors from around the world have come to expect from Los Angeles, and are expecting for the World Cup, NBA All-Star Game, Super Bowl, and Summer Olympics.

Thank you for your attention to this critically important issue and we appreciate your reconsideration of this proposal.

Sincerely,

Jason Riederer
Vice President, State & Local Government Affairs
American Hotel & Lodging Association

Cc:

Los Angeles Mayor Karen Bass
Los Angeles City Councilmember Eunisses Hernandez
Los Angeles City Councilmember Paul Krekorian
Los Angeles City Councilmember Bob Blumenfield
Los Angeles City Councilmember Nithya Raman
Los Angeles City Councilmember Katy Yaroslavsky
Los Angeles City Councilmember Imelda Padilla
Los Angeles City Councilmember Monica Rodriguez
Los Angeles City Councilmember Curren D. Price, Jr.
Los Angeles City Councilmember Heather Hutt
Los Angeles City Councilmember Traci Park
Los Angeles City Councilmember John Lee
Los Angeles City Councilmember Hugo Soto-Martinez
Los Angeles City Councilmember Kevin de Leon
Los Angeles City Councilmember Tim McOsker
Los Angeles City Attorney Hydee Feldstein Soto
Los Angeles World Cup 2026 Host Committee
Los Angeles Olympic Organizing Committee
Los Angeles Sports & Entertainment Commission

Communication from Public

Name: John Howland

Date Submitted: 11/15/2024 05:24 PM

Council File No: 14-1371-S13

Comments for Public Posting: The Hotel Association of Los Angeles submits the following letter explaining the consequences of this proposal.



MARK D. DAVIS
President and CEO

November 15, 2024

The Honorable Council President Marqueece Harris-Dawson
Los Angeles City Council
City of Los Angeles
200 N. Spring Street #213
Los Angeles, CA 90012

Re: Council File 14-1371-S13: Los Angeles Living Wage Ordinance (LWO)/Los Angeles Hotel Worker Minimum Wage Ordinance (LA HWMO)/Wage Increase/Health Care Credit/Public Housekeeping Training/Amendments

Dear Council President Harris-Dawson,

On behalf of Sun Hill Properties and our flagship hotel, the Hilton Los Angeles/Universal City, I am writing to express our concern regarding the impact of the proposed Los Angeles Hotel Worker Minimum Wage Ordinance. As the company with the only planned hotel construction project in the City of Los Angeles, I feel it's important to make clear to you the ways in which the proposed wage increase could have a negative impact on tourism and the hospitality industry.

Sadly, an exciting vision and journey that started more than nine years ago, with millions invested to date, could be ending in tragedy for Sun Hill Properties and greater Los Angeles as we are rethinking our 395-room expansion tower project. The Hilton Universal City Hotel has some of the highest occupancy levels in the city. With nearly 500 rooms, the hotel is often at full capacity, which is why we have plans to expand to more rooms and amenities.

In September, the Los Angeles City Planning Commission unanimously approved our expansion project to add 395 new guest rooms. The expansion will create at least 1,000 construction jobs and more than 200 new permanent jobs at the hotel, along with millions of dollars in new transient occupancy tax for the City. Sun Hill Properties is now unfortunately forced to reevaluate the economic sensibility of this expansion and consider applying its resources to other, more welcoming municipalities.

The Los Angeles hospitality industry is the target of wage and workplace requirements that no other industry is subject to, and we are now at a tipping point, making it less economically viable to continue to do business here. With the World Cup, another Super Bowl, and the Olympics all on the horizon, we need to be encouraging businesses to invest in our City, not divest.

Our industry is committed to working with the Council to build a bridge that could make sense for all concerned. That's why I am writing you today in hopes of convening a meeting to consider revisions that will work for all parties involved. In particular, we are hoping to discuss with you and other committed City stakeholders the following:

CORPORATE HEADQUARTERS
555 Universal Hollywood Drive, Universal City CA 91608
Direct (818) 509 2013 | Main (818) 432 0888
mark.davis@sunhillprop.com

- Striking the requirement to exclude any contracts to subsidize missing workforce due to any reason for a shortage of staff
- Excluding the requirement for hotels to subsidize hourly rate for health insurance when the health plans provided meet or exceed the Unite Here 11 care provided to team members in coverage
- Exempting hotels with <150 rooms from the ordinance

We want to continue to work with you and our City leaders to make Los Angeles better and to grow L.A. tourism for more world travelers. The best revenue for our City now and for the future comes from outside our boundaries. I urge you to bring all affected parties together to craft sensible modifications to the ordinance prior to a City Council vote.

Sincerely,



Mark Davis

CEO

Sun Hill Properties

Hilton Universal

CC: Mayor Karen Bass
Rachel Freeman, Deputy Mayor, Office of Karen Bass
Members, Los Angeles City Council
Sharon Tso, Chief Legislative Analyst
Matthew Szabo, City Administrative Officer

CORPORATE HEADQUARTERS

555 Universal Hollywood Drive, Universal City CA 91608

Direct (818) 509 2013 | Main (818) 432 0888

mark.davis@sunhillprop.com

Communication from Public

Name: John Howland
Date Submitted: 11/15/2024 05:26 PM
Council File No: 14-1371-S13
Comments for Public Posting: The Hotel Association of Los Angeles submits the following letter explaining the consequences of this proposal.



AAA Parking
November 13th, 2024

City Council of Los Angeles
200 N Spring Street
Los Angeles, CA 90012

Re: Council File 14-1371-S13: Los Angeles Living Wage Ordinance (LWO)/Los Angeles Hotel Worker Minimum Wage Ordinance (LA HWMO)/Wage Increase/Health Care Credit/Public Housekeeping Training/Amendments

Dear Distinguished Members of the Los Angeles City Council,

I am writing to you on behalf of AAA Parking to express our reservations in regards to the proposed Hotel Worker Minimum Wage Ordinance. We are concerned by this ordinance's potentially negative affect to third-party parking operators such as AAA Parking. We at AAA have always respected and agreed with fair wages for all of our workers as we understand the cost of living in Los Angeles is expensive. That being said, we also believe that initiating this wage increase to third-party parking providers will have unintended ramifications for both the parking and overall hospitality industries in Los Angeles moving forward.

AAA Parking has proudly partnered with several hotels throughout Los Angeles for over a decade. We have taken great pride in providing opportunities to hundreds of associates while giving them the opportunity to grow into leadership positions and ultimately build a career in the parking industry. We work closely with our hotel partners to provide exceptional experiences for their guests with the intention of having them return to Los Angeles and stimulate the economy in the future. This proposed wage ordinance and health benefit increase jeopardizes our ability to achieve this goal for our partners and for our employees. After reviewing the possible repercussions of this ordinance, we have come to the conclusion that if passed, our operations would greatly suffer and our ability to employ associates at the level that we are would be restricted.

We would like to request that the City Council of Los Angeles take into consideration an exception for these non-core positions. Valet attendants receive tips on a regular basis in addition to their hourly compensation. The combination of these two income streams can be very lucrative for our associates. The proposed minimum wage ordinance increase for these positions could be detrimental in allowing us to expand our footprint as an organization and in turn creating more jobs. Instead, we are projecting that we will have to remove several positions from each of our properties just to preserve our partnerships.

WWW.AAAPARKING.COM

1100 Spring Street NW Suite 800 Atlanta, GA 30309 phone: 404-525-5959 fax: 404-522-0925



We have major concerns regarding the financial sustainability of our organization as well as our partner's ability to absorb these additional costs. As a reputable parking operator in Los Angeles, we've worked very hard over the years to establish growth, build strong partnerships with the hotels and provide hundreds of jobs for the community. The repercussions of this ordinance will jeopardize all of that. Third-party parking profit margins are already slim and the increased cost to operate our valet parking operations can only be offset by reducing labor or increasing prices throughout the hotels. Neither of these options are ideal as reducing or eliminating positions results in our associates being unemployed and substantially increasing hotel prices will potentially cause hotel guests to explore options in surrounding cities.

With the proposed Hotel Worker Minimum Wage Ordinance in effect, we are projecting over \$1.5 million in additional costs. These calculations are only projecting the increased cost for 2025 and don't include projections for the following 3 years which will progressively get more challenging to offset without adverse consequences. These increased costs represent an unsustainable model for the growth of the Los Angeles parking industry and the thousands of jobs that it provides.

On behalf of all parking operators throughout Los Angeles, we respectfully request that you consider carving these non-core positions out of this ordinance so that we may continue to contribute growth and stability to the Los Angeles job market. Again, we support fair wages and equitable compensation for all of our associates, however we believe that the negative repercussions of this ordinance would cripple and potentially eliminate our industry moving forward. Thank you in advance for your consideration and we look forward to your feedback.

Warmest Regards,

A handwritten signature in black ink, appearing to read 'T Mauman', written over a faint, light blue background watermark of the AAA logo.

Thomas Mauman
Regional Vice President
AAA Parking

Communication from Public

Name: John Howland
Date Submitted: 11/15/2024 05:26 PM
Council File No: 14-1371-S13
Comments for Public Posting: The Hotel Association of Los Angeles submits the following letter explaining the consequences of this proposal.



1200 Wilshire Blvd. 100B
Los Angeles, CA 90017
www.lazparking.com

Partners In Parking™

LAZ Parking

November 14, 2024

The Honorable Council President Marqueece Harris-Dawson
Los Angeles City Council
200 N Spring Street #213
Los Angeles, CA 90012

Re: Council File 14-1371-S13: Los Angeles Living Wage Ordinance (LWO)/Los Angeles Hotel Worker Minimum Wage Ordinance (LA HWMO)/Wage Increase/Health Care Credit/Public Housekeeping Training/Amendments

Dear Council President Harris-Dawson,

I am writing on behalf of LAZ Parking to express our concerns regarding the proposed Hotel Worker Minimum Wage Ordinance, particularly its potential application to third-party parking operators such as LAZ Parking. While we strongly support fair wages and equitable compensation for workers, we believe extending this wage increase to parking operators could have unintended and far-reaching consequences for both the parking and hospitality sectors in Los Angeles.

LAZ Parking proudly serves the Los Angeles community, employing nearly 3,000 team members across the region, more than half of whom work within the hospitality industry. We have built a reputation for providing exceptional service and fostering professional growth for our employees. However, the proposed wage and benefit increases, if applied to parking operators, would present significant operational challenges for our business.

We respectfully request that the City Council consider positions, such as valet attendants, in the ordinance, due to the unique nature of these roles. Applying a blanket wage increase to these roles could disrupt the existing balance, potentially impacting job availability and operational feasibility.

Our main concerns with the proposed ordinance are as follows:

1. **Operational Strain and Financial Impact:** The parking industry operates on tight profit margins, particularly in a competitive and cost-sensitive market like Los Angeles. Unlike hotels, which can adjust room rates or rely on additional revenue streams, such as food and beverage price increases, parking operators do not have the same pricing flexibility. A blanket wage and benefit increase would place a substantial financial burden on parking operators, potentially leading to higher costs, fewer job opportunities, and a reduction in service quality. For example, an analysis of a major hotel property in Downtown Los Angeles shows that this proposed increase could result in an additional \$800,000 in payroll and related costs alone. Such a substantial increase would severely jeopardize the ability of hotels to offer

valet parking services, even though these services are crucial to their operations and guest experience.

2. **Unintended Consequences for Consumers and the Broader**

Community: As labor costs rise, parking operators may be forced to raise parking fees, which could place a financial strain on residents, local businesses, and visitors. Mid-size hotels may need to charge as much as \$100 for overnight parking to break even on labor. Higher parking costs may discourage tourism, negatively impacting the local economy and diminishing the city's appeal as a destination. This could undermine broader efforts to stimulate economic growth and development within Los Angeles.

3. **Challenges for Major Upcoming Events:** Los Angeles is preparing to host several major global events, including the 2026 World Cup, the 2028 Summer Olympics, and the Super Bowl. These events will place extraordinary demands on the city's parking infrastructure. An increase in labor costs could hinder our ability to provide affordable and accessible parking for attendees, potentially impacting the overall visitor experience and reducing the economic benefits these high-profile events are expected to bring to the city.

At LAZ Parking, we are committed to fair wages, employee development, and contributing to the thriving communities of Los Angeles. We respectfully urge the City Council to consider the unique circumstances of the parking industry in this proposal and explore alternative solutions that balance fair compensation with our business's operational realities.

We would welcome the opportunity to engage in further discussions with the City Council to identify a mutually beneficial approach to wage adjustments—one that supports both workers and the long-term sustainability of the industries we serve.

Thank you for your time and thoughtful consideration of this important issue.

Sincerely,



John Svendblad
LAZ Parking
President, West Coast

Communication from Public

Name: John Howland
Date Submitted: 11/15/2024 05:27 PM
Council File No: 14-1371-S13
Comments for Public Posting: The Hotel Association of Los Angeles submits the following letter explaining the consequences of this proposal.

October 31, 2024

The Honorable Marqueece Harris-Dawson
L.A. City Council President
City of Los Angeles
200 N. Spring Street #213
Los Angeles, CA 90012

RE: Council File 14-1371-S13: Los Angeles Living Wage Ordinance (LWO)/Los Angeles Hotel Worker Minimum Wage Ordinance (LA HWMO)/Wage Increase/Health Care Credit/Public Housekeeping Training/Amendments

Dear Council President Harris-Dawson,

I'm writing today to express our concern regarding the impact of the proposed Los Angeles Living Wage Ordinance, which emerged from the new Economic, Community Development and Jobs Committee, on both the 727-key Moxy/AC DTLA and the broader Los Angeles hotel industry. I thought it would be helpful to reach out directly to give you some further context, particularly given how swiftly the proposed ordinance is moving and potentially scheduled for full City Council approval.

As you know and have experienced, Level 8, with its eight food and beverage venues spread across 30,000 square feet, is a crown jewel in Downtown LA. LA Tourism has invested considerable marketing spend in promoting Level 8 and our hotel, and has showcased the property as a beacon to attract conventions and tourism alike to Los Angeles (see video they produced [here](#)).

Level 8 is independently operated but located within the hotel building. Unfortunately, given the exorbitant costs of operating food and beverage venues within hotels in Los Angeles, the venues are already struggling to remain viable at the current \$20.32 wage rate for workers within hotel properties. If the proposed ordinance passes, we would be forced to close Level 8.

The impact of the proposed ordinance is twofold: First, the venues can't bear the incremental operating costs with already razor thin margins. Second, the only way to potentially recoup the higher wage costs and remain open would be to raise prices, but our customers would not tolerate price increases when they could easily opt for other nearby restaurants and entertainment venues that are economically positioned to offer lower pricing. We're already fighting this battle with a minimum wage that is \$3 above our non-hotel peers and are

experiencing the repercussions. It's simply impossible for us to remain competitive while absorbing the higher operating costs.

Ultimately, the ordinance would disproportionately disadvantage us relative to our non-hotel competitors, who are held to the standard citywide minimum wage – creating confusion and disparate wage differentials across venues.

Level 8 proudly employs over 300 individuals between direct employees and third-party contracts, all of whom would lose their jobs were the ordinance to pass. Again, this is not hyperbole; it is an economic fact. Our employees are among the best paid in the industry – our servers earn on average between \$40 and \$70 an hour including tips and receive generous benefits including a minimum 50% employer health insurance coverage match.

The ordinance will equally impact small businesses that are located within hotel buildings. For example, we have a small, local-owned sports bar that caters to the neighboring community and would be put out of business by the ordinance – solely by virtue of being located within the confines of a hotel.

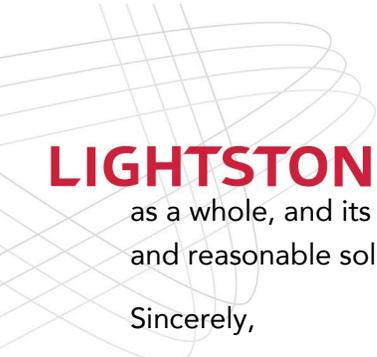
The ripple effects will be catastrophic, particularly as the city prepares for the 2028 Olympics. Food and beverage venues forced to operate with these inordinate operating costs will struggle to survive, leading to the further deterioration of Downtown LA and continued job loss. As owners, we could not afford to invest in a city that arbitrarily raises operating costs on a small subset of the economy and would be forced to retreat from further investment.

In fact, we have been working closely with the city and are one of the final candidates for redeveloping the Oceanwide Plaza project, which we would have to reconsider were this ordinance to pass.

Our concerns have been echoed by the broader business community. Our trade association, the Hotel Association of Los Angeles, [outlined](#) our concerns to the new committee and also issued a [letter](#) offering a pathway to compromise. Unfortunately, the City Council has advanced this wage proposal without carefully considering the repercussions or engaging in meaningful dialogue – and I fear the impacts for our residents, workers and city.

In connection with the Olympics, we have been consulting with other owners who are similarly affected by the ordinance and may find ourselves with no choice but to exercise the Force Majeure clause within the Olympics Room Block Agreement. In other words, LA hotels would no longer honor Room Block Agreements for the Olympics.

If City Council wishes to progress with some form of a minimum wage for hotel works, the only way to do so without decimating the economy and deterring highly profitable tourism would be to carve out food and beverage venues located within hotels from the ordinance. I urge you to implement this reasonable modification to the bill for the sake of the Olympics, the city



LIGHTSTONE

as a whole, and its workers. I remain committed to assisting you to developing an equitable and reasonable solution.

Sincerely,

Mitchell Hochberg
President
Lightstone Group

CC: Mayor Karen Bass
Rachel Freeman, Deputy Mayor, Office of Karen Bass
Members, Los Angeles City Council
Sharon Tso, Chief Legislative Analyst
Matthew Szabo, City Administrative Officer

299 Park Avenue
New York, NY 10171
lightstonegroup.com

Communication from Public

Name: John Howland
Date Submitted: 11/15/2024 05:28 PM
Council File No: 14-1371-S13
Comments for Public Posting: The Hotel Association of Los Angeles submits the following letter explaining the consequences of this proposal.

HOTEL Angeleno

November 14, 2024

The Honorable Council President Marqueece Harris-Dawson
Los Angeles City Council
City of Los Angeles
200 N. Spring Street #213
Los Angeles, CA 90012

Re: Council File 14-1371-S13: Los Angeles Living Wage Ordinance (LWO)/Los Angeles Hotel Worker Minimum Wage Ordinance (LA HWMO)/Wage Increase/Health Care Credit/Public Housekeeping Training/Amendments

Dear Council President Harris-Dawson,

I am writing on behalf of the Hotel Angeleno, the iconic cylindrical hotel off the San Diego (405) Freeway and Sunset Blvd. The purpose of this letter is to express my deep reservations regarding the impact of the proposed Los Angeles Hotel Worker Minimum Wage Ordinance. As a hotelier with over 40 years of experience, I feel it's important for you to understand the potential consequences of this wage ordinance.

Unlike many other domestic destinations, Los Angeles' tourism industry has yet to fully rebound from the pandemic. LAX is pulling back on expansion projects due to low passenger volume. Los Angeles will average 16 conventions this year, compared to 25-30 pre-pandemic. Finally, hotel occupancy rates have not returned to pre-pandemic levels, yet we're seeing expenses add up due to inflation, interest rates, wages, insurance and cost of goods.

This wage ordinance, as proposed, would cost Hotel Angeleno over \$1 million per year assuming we did not reduce any staffing or services. Unfortunately, that is not an option as we are currently in violation of our loan debt covenant mainly resulting from the Worker Protection Ordinance that went into effect in August 2022, which limits our housekeepers to cleaning seven to nine rooms per day in a full 8-hour shift. This ordinance will force us to eliminate valet parking and 12 valet positions as well as close our restaurant and eliminate 27 food and beverage positions (note that the majority of the income earned by the valets and front of the house restaurant employees comes from tips).

Common sense says you cannot raise wages over 50% in less than a year when revenue is down. If this ordinance passes, I will be forced to consider converting this hotel in the heart of residential Brentwood into a homeless shelter.

Before this Ordinance is considered for vote, I highly recommend that the City has independent third party studies done to evaluate what impact the Ordinance would have on the City's TOT revenue as well as the impact on the City's hotels.

Sincerely,



Mark Beccaria
Partner

CC: Mayor Karen Bass
Rachel Freeman, Deputy Mayor, Office of Karen Bass
Members, Los Angeles City Council
Sharon Tso, Chief Legislative Analyst
Matthew Szabo, City Administrative Officer