

Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:32 PM
Council File No: 14-1371-S13
Comments for Public Posting: HWMO impacts to Garland Hotel



4222 Vineland Ave
North Hollywood, CA 91602

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thegarland.com

November 13, 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 The Garland 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.

The Garland hotel was built and managed by my mother and father, developer Fillmore Crank and Television actress Beverly Garland in 1971. As a single entity family owned hotel, we continue daily management of the property in this the second generation. Throughout our business history in the City of Los Angeles, we have been fierce advocates of labor rights and fair wages. We believe a hotel's success is rooted in the confidence and health of those employed who are the first contact with our guests. 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. In addition, we provide financial incentives in profit sharing, 401k matching, Life Insurance, pet insurance, safety incentives, electric car purchase incentives, free employee parking, discounted EV charging, employee public transportation vouchers, flexible work schedules, additional paid holiday to the standard paid holidays, on the job training, and continued education options. These programs express our commitment to employee job satisfaction, development, growth, and sustainability. Our 2023 job satisfaction survey found a 98% superior job satisfaction score.

Unfortunately, radical wage increases and arbitrary hourly health care credits, unprecedented in any other industry, fails to contemplate the economic fall-out for our targeted business. As far as I am aware, the City has not received economic data from our current operations or the recent industry wide insurance cost inflation, or economic impact from the downturns due to the entertainment strikes, and the current wage ordinance already slated for a wage increase.



Having created much sought-after hospitality destination to celebrate Los Angeles, and provide the City excellent tax revenues, we are disappointed that the Council does not appear to be in partnership with us to create a dynamic ordinance that reflects sustainable wages and credits for programs already in place that help sustain employees in various ways.

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:

- 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.

The proposal as it currently stands, would disproportionately disadvantage us relative to smaller hotels and non- hotel restaurant competitors, who are held to the standard citywide minimum wage – creating confusion and disparate wage differentials across venues.

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.

The Garland Family, and our 250 employees, remain committed to assisting you to developing an equitable and reasonable solution.

Sincerely,
James Crank
Asset Manager
The Garland Hotel

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



Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:33 PM
Council File No: 14-1371-S13
Comments for Public Posting: HWMO impacts to Hilton Woodland Hills



November 25, 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) / Health Care Credit / Public Housekeeping Training / Amendments

Dear Council President Harris-Dawson,

I am writing on behalf of the Hilton Woodland Hills Los Angeles to express our concern regarding the impact and potential consequences of the proposed Los Angeles Hotel Worker Living Wage Ordinance proposal CF 14-1371-S13.

The Los Angeles hotel market has yet to fully rebound from the pandemic years and is in fact experiencing a year over year RevPAR decline of 3.5% versus 2023 for the City of LA so far in 2024. Hotel occupancy rates have not returned to pre-pandemic levels, yet we are seeing expenses add up due to inflation, interest rates, wages, insurance and cost of goods.

If we may just share with you how some numbers for our 330-room hotel compared to 2019. Our Occupancy so far for 2024 is behind 2019 by 19 occupancy points and RevPAR is behind by 18.3%, yet the Los Angeles Hotel Worker Minimum Wage rate increased by 22.2% since 2019.

Not only did the wages increase, but with the implementation of the Los Angeles Worker Protection Ordinance in August, 2022, hotels became subject to a workload limitation rule where room attendants are limited to clean 3,500 square feet of floor space and six check out rooms. Our housekeepers now clean 10 rooms based on square footage versus 16 rooms in 2019. This resulted in increasing the cost by 68% effectively. Combining with the minimum wage increase, overall increase is 90%.

The proposed ordinance CF 14-1371-S13 would hit our hotel with a 29.2% year over year wage increase by July, 2025. This wage increase also applies to tipped food and beverage workers within a hotel, while it does not apply to food and beverage workers at free standing restaurants. The current minimum wage for restaurants within hotel properties is already \$3 above restaurants located outside a hotel. It is impossible for a hotel restaurant or bar to remain competitive against non-hotel restaurant. Hotels will be forced to reduce services and staffing related to food and beverage venues.

HILTON WOODLAND HILLS/LOS ANGELES
6360 Canoga Avenue | Woodland Hills, CA 91367



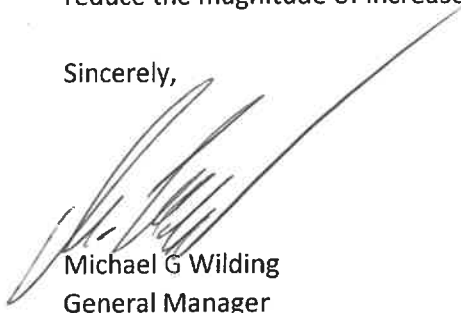
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The Honorable Council President Marqueece Harris-Dawson
Los Angeles City Council
City of Los Angeles
November 25, 2024
Page 2 of 2

We urge you to carve out food and beverage workers from the proposed wage increase ordinance and reduce the magnitude of increase from \$25 to \$22.

Sincerely,



Michael G Wilding
General Manager

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

HILTON WOODLAND HILLS/LOS ANGELES
6360 Canoga Avenue | Woodland Hills, CA 91367



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Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:34 PM
Council File No: 14-1371-S13
Comments for Public Posting: Impacts from HWMO to Norlake

Norlake

December 4, 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-S 13: 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 regarding The Hoxton Downtown LA, a beautiful Historic Preservation 174-room lifestyle hotel we proudly own since September 2019 in District 14. I need to express our deep concerns regarding the potential impact of the proposed Los Angeles Hotel Worker Living Wage Ordinance. As we have made an investment in the City of Los Angeles and want to remain optimistic about the future of our asset, we believe it is important for us to clearly articulate the potential consequences of this Ordinance on our business.

Since the pandemic, Los Angeles and particularly Downtown still struggles as a hospitality market to rebound – unlike the large majority of other markets we operate in, including New York and Chicago. We are greatly affected by the fact that the LA Convention Center will host 16 conventions this year, compared to 25-30 pre-pandemic. Consequently, our occupancy rates have not returned to historic stabilized levels and hotel average rates have declined year over year for the last two years. To add to the difficulty of delivering profitability on this property, we are seeing expenses gradually add up due to a rise in wages, and insurance, utilities and cost of goods strong inflation.

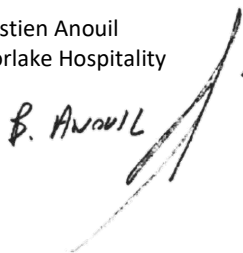
The Ordinance as proposed would add an untenable \$1.5 million cost per year to The Hoxton, assuming we do not eliminate any positions or reduce our hotel services. An increase in our prices would not be a viable solution either, as an example, under the new Ordinance, valet parking for our guests would need to move from \$55/night to \$100/night just to break even.

As investors, it is our responsibility to deliver sustainable returns, and it also our responsibility and duty to advise you that in the current market context, we will be left with no other option than eliminating several services in order to protect our business should the Ordinance be enforced, with a current estimate of over 100 positions removed.

We appreciate your time to read this letter and your consideration.

Sincerely,

Bastien Anouil
Norlake Hospitality



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

Norlake Hospitality Ltd
53/54 Grosvenor Street, London, W1K 3HU

Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:35 PM
Council File No: 14-1371-S13
Comments for Public Posting: Impacts to Marriott Warner Center from HWMO

December 12, 2024

Honorable Council President Marqueece Harris-Dawson and Esteemed Council Members
Los Angeles City Council
200 N Spring St #213
Los Angeles, CA 90012

Subject:

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

Dear Members of the Los Angeles City Council,

On behalf of the Warner Center Marriott Woodland Hills, its staff, management, and ownership, I write to express strong opposition to the proposed LWO/LA HWMO (CF 14-1371-S13). While we support efforts to enhance the economic well-being of our workforce, this measure threatens to create severe economic harm for voters, workers, and businesses across the city, with particularly damaging consequences for the hotel and its related food and beverage (F&B) sectors. Our hotel, which has been delivering excellence in Angeleno hospitality to all who visit for decades, would be forced to re-assess offerings such as restaurant hours and availability, staffing levels, and future investment and renovations, all to mitigate these excessive expense increases. The very voters who are purportedly helped by this change will be those who are most adversely impacted.

Impact on Economic Viability

If enacted, this ordinance would impose unprecedented labor cost increases on hotels already grappling with post-pandemic recovery challenges. The mandated wage hikes will push operating costs to unsustainable levels, forcing our hotel, along with all those within city limits, to consider reducing workforce sizes, cutting hours, or limiting benefits—ultimately undermining the financial stability of the very voters it aims to support.

Consequences for Workers and Voters

Far from achieving its intended purpose, this ordinance risks displacing many employees as we scale back operations or, quite possibly, shut down. Voters in our community will bear the ripple effects, including:

1. Job Losses: Reduced hiring or layoffs will impact thousands of voters dependent on the hospitality industry, not just those directly employed by it. Our hotel does business with hundreds of local vendors and purveyors of goods, all of who will be impacted by mitigation efforts forced on us.



2. Decreased Services: Increased costs will force hotels to cut amenities, including F&B services and hours, leading to diminished guest experiences and decreased hours and gratuities for service staff.

3. Economic Ripple Effect: In addition to vendors and purveyors, guests and clients of the hotel will be priced out of the market. Companies that require travel to conduct their business will find other markets to house their operations, taking with them tax-generating jobs and activities. Additionally, those looking to celebrate social milestones such as weddings, mitzvahs, quinceaneras, and the like will relocate to other markets where they can host their events within reasonable budgets. Each of these events carries numerous ancillary tax-generating spending, such as florists, entertainers, and transportation. These small businesses would be adversely impacted by reduced demand for their services and the voters they employ will be faced with reduced income.

Challenges to Hotel Sustainability

The proposed wage increases inappropriately target the service sector compared to other industries. Unlike businesses with pricing power, hotels operate within fiercely competitive markets with high price sensitivity, particularly in a city where affordability is already a concern for tourists and businesses visiting. Increased costs will lead to reduced competitiveness for Los Angeles hotels compared to other markets, further jeopardizing the industry's ability to thrive.

We respectfully urge the City Council to consider the broader economic consequences of this ordinance on its voters and its community. A sustainable solution must balance workers' needs with the hospitality industry's economic realities. Collaborative approaches, such as targeted tax incentives or workforce training initiatives, would achieve shared goals without threatening businesses' viability or the livelihoods of their workers.

Thank you for your attention to this critical matter. We are committed to working collaboratively with the City Council to find equitable and sustainable solutions that support our workforce and preserve the vitality of Los Angeles's hotel industry.

Sincerely,



Brian Schneider
General Manager
Warner Center Marriott Woodland Hills
818-227-6100
bschneider@heihotels.com

Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:36 PM
Council File No: 14-1371-S13
Comments for Public Posting: HMWO Impacts to Ashford Hospitality



December 4, 2024

City Councilor Katy Yaroslavsky
Los Angeles City Hall
200 N. Spring Street, Room 450
Los Angeles, CA 90012

Dear City Councilor Katy Yaroslavsky,

Thank you for your time to review this letter sent on behalf of Ashford Hospitality Trust, Inc., the owner of the Beverly Hills Marriott, which is in your district. This hotel has 115 employees and, based on current wages, is expected to pay approximately **\$7.3 million** in total wages and benefits next year to those employees.

We are writing to express our opposition to the proposed changes to the Los Angeles Hotel Worker Minimum Wage Ordinance. We believe the proposed changes will pose significant operational challenges at this hotel for our management company and jeopardize the long-term ability of this hotel to serve its guests, its employees, and the community.

As owners, we are committed to supporting our management company in its efforts to foster a supportive and rewarding environment for all of its employees, which they accomplish by offering opportunities for professional growth, comprehensive training programs, competitive wages, and benefits that often surpass those of adjacent industries in the city. But this city's proposed hotel-only wage increase would put our industry at an extreme disadvantage and—coupled with the Hotel Worker Protection Ordinance—would create an untenable regulatory and financial environment.

The proposed changes come at a particularly challenging time for our industry, as we grapple with skyrocketing utility costs, escalating insurance premiums, and substantial inflation in food and beverage costs. The cumulative impact of these pressures will force our management company to consider making difficult decisions, including potentially reducing workforce, curtailing services, and increasing room and food and beverage rates, to name a few. We are still evaluating the totality of the potential impacts of the city's proposal, but it may even require termination of room-block agreements for Super Bowl LX, the 2026 FIFA World Cup, and the 2028 Olympics. Based on our experience, we firmly believe these changes would ultimately have a negative impact on not only the local workforce and community, but also tourism and conferences in Los Angeles. There are so many alternatives in the surrounding area and throughout the country, and traveling to Los Angeles would become relatively more expensive and less attractive.

We urge the City Council to slow down this process so that it does not make a decision without fully understanding all the financial impacts of this proposal, not only to your constituents, but also to the great city it serves and those who desire to not only visit it but also invest in it.

Additionally, we believe it is unfair for the city to impose a “hotel-only” or “hotel-plus-airport” minimum wage increase that does not apply to other industries or even municipal operations. While we would urge City Hall look at public policy provisions that address the root cause of affordable housing shortages, if the city considers wage increases the only solution to address the cost of living in Los Angeles, why limit those increases to a single industry? Targeting the hospitality industry with such a policy undermines inter-industry competition for labor and restricts opportunities for entry-level workers to unaffected industries.

Policies like this discourage future investments in Los Angeles hotels from ownership groups like ours. Policies like this also undermine job creation and critical tax revenue streams, such as Transient Occupancy Tax and ad valorem taxes, both of which are likely to decline with declining travel to the city and reduced property values. Over time, both will erode the city’s attractiveness as a destination, making it less appealing for major events, tourism, and future real estate development and investment.

We strongly urge the City Council to carefully evaluate the far-reaching and possible unintended consequences of this proposal. A more balanced and inclusive approach to wage policy—one that considers the needs of all workers and the economic reality businesses face—is essential. As it stands, throughout our industry, this ordinance will likely result in job losses, reduced services, reduced tax revenue for the city, and limitations to the ability to service large crowds coming in for major events, ultimately weakening the city’s economic health and global standing.

Thank you for your attention to this matter. We look forward to engaging with the City Council to develop a solution that supports both employees and businesses in a sustainable, equitable way.

Sincerely,



Stephen Zsigray
Chief Executive Officer
Ashford Hospitality Trust, Inc.

Cc: Los Angeles Mayor Karen Bass
Los Angeles City Council President Marqueece Harris-Dawson
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 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 Chief Legislative Analyst Sharon Tso

Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:38 PM
Council File No: 14-1371-S13
Comments for Public Posting: Impact of HWMO to Holiday Inn Express Hollywood Walk of Fame

Holiday Inn Express & Suites
1921 North Highland Ave
Hollywood, CA 90068 USA
t: 323.850.8151
f: 323.850.8098
1.800.HOLIDAY
www.hollywoodholidayinnexpress



HOLLYWOOD WALK OF FAME

December 4, 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 Holiday Inn Express. 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 the Holiday Inn Express 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 10 valet positions as well as close our morning breakfast and eliminate 6 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 Hollywood into a homeless shelter or even closing our doors indefinitely.

Before this Ordinance is considered for vote, consider a carve-out for hotels under 150 rooms as part of the original Hotel Minimum Wage Ordinance. The proposed wage ordinance will have detrimental economic impact on many hotels including mine. Utilities, insurance, workers comp, have all doubled in the past four years. We strongly urge city council to reconsider this wage ordinance. Thank you for your consideration.

Sincerely,
Kiran J Patel
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

twitter.com/hollywoodlax

Independently owned and operated.

Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:39 PM
Council File No: 14-1371-S13
Comments for Public Posting: HWMO impacts to Solo Motel

December 5, 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,

My name is Snehal Patel, and I am the owner of the Solo Motel, located at 4760 S. Broadway, Los Angeles, CA.

My father built this hotel from the ground up in the 1980s, and it has become a hidden gem in the city of Los

Angeles. Over the decades, our family has dedicated ourselves to serving this community, growing our family here, and contributing to the city's economy through taxes and employment. However, the proposed Los Angeles Hotel Worker Minimum Wage Ordinance threatens to

destroy our family's legacy and small businesses like ours across the city.

Tourism in Los Angeles has not returned to pre-pandemic levels. While our city's larger, corporate-owned hotels may have the resources to navigate this crisis, small, family-owned hotels like mine cannot. The Solo Motel operates on razor-thin margins, relying solely on room rates to generate revenue. With daily rates averaging between \$90 and \$110, we cannot simply raise prices to offset the significant wage increases this ordinance demands. Our guests, who are already price-sensitive, would turn to larger properties or other accommodations, leaving us with even lower occupancy rates.

This ordinance will cripple small hotels like mine. We are not large corporations with deep pockets; we are mom-and-pop businesses, often run by immigrant families who came to this country with hopes of building better lives. According to a study by the Asian American Hotel Owners Association, 67% of hotels in the United States are owned by Asians, many of whom, like my family, are part of the Indian community. These are not faceless conglomerates—they are families, just like mine, who have invested their lives in their businesses and their communities.

If this ordinance is passed, I will be forced to make devastating decisions, including reducing staff or

potentially closing the hotel altogether. This would not only harm my family but also eliminate jobs for our employees and reduce the tax revenue that helps fund city services. For decades, families like mine have been proud contributors to Los Angeles' economy and culture. This ordinance would undo all that hard work.

I urge you to consider a carve-out for small hotels with fewer than 150 rooms, similar to the provisions in the original Hotel Minimum Wage Ordinance. Small businesses like mine cannot bear the same financial burden as large corporations, and this wage increase, in its current form, would ensure our failure.

Thank you for your time and for considering the impact of this ordinance on small, family-run hotels like the Solo Motel and the hundreds of similar businesses owned by members of the Indian and Asian American communities. Please help us continue to contribute to the city we call home.

Sincerely,
Snehal Patel
Owner and Operator
Solo Motel

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

Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:41 PM
Council File No: 14-1371-S13
Comments for Public Posting: Letter from Shetal Zina Patel on HWMO

December 6, 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 – Impact on Immigrant Hotel Owners

Dear Council President Harris-Dawson,

My name is Shetal Zina Patel, and I am proud to serve as the Women Hoteliers Director for the Western Division of the Asian American Hotel Owners Association (AAHOA). I am writing on behalf of the hundreds of immigrant Asian hotel owners in the city of Los Angeles who collectively employ thousands of workers and contribute millions annually to the city's transient occupancy tax.

This proposed hotel worker wage ordinance poses a direct threat to the survival of these small, family-run businesses. As immigrants who have worked tirelessly to build our businesses and grow our families in this city, it feels as though this drastic payroll increase unfairly targets us. These hotels are not large corporations but small, community-focused businesses that are already struggling to recover from the devastating economic impact of the pandemic.

My family and I also own and operate hotels in Los Angeles. If this wage ordinance is implemented without consideration for smaller properties, we, like many others, will be forced to make heartbreaking decisions. We will not be able to sustain our operations, pay our bank loans, or keep our businesses open. This would result not only in the loss of our livelihoods but also in the elimination of jobs for thousands of hardworking employees.

The immigrant hotel owners in this city have poured their hearts, savings, and efforts into contributing to the success and growth of Los Angeles. With this ordinance, you are jeopardizing not just our businesses but the very foundation of our families' futures.

We respectfully ask the council to reconsider this ordinance and include a carve-out for hotels with fewer than 150 rooms. The survival of these small businesses—

and the livelihoods of countless immigrant families—
depend on it.

Thank you for your attention to this critical issue.

Sincerely,

Shetal Zina Patel

AAHOA Women's Hotelier Director, Western Division

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

Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:45 PM
Council File No: 14-1371-S13
Comments for Public Posting: Letter from Motel 6 Hollywood on HWMO

December 5, 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 Motel 6, located at 1738 Whitley Ave. in Hollywood. 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 female entrepreneur and an immigrant person of color, I take great pride in being both the owner and operator of this business. I feel it's important for you to understand the devastating consequences this ordinance will have not just on our hotel but also on small business owners like me across the city.

Unlike many other domestic destinations, Los Angeles' tourism industry has yet to fully rebound from the

pandemic. LAX is scaling back on expansion projects due to low passenger volume. Los Angeles will host only 16 conventions this year, compared to 25-30 pre-pandemic. Furthermore, hotel occupancy rates remain significantly below pre-pandemic levels, while expenses—driven by inflation, interest rates, wages, insurance, and the cost of goods—continue to rise.

At Motel 6, we employ 34 hardworking individuals, and on any given day, about 23-26 of them work full-time to support our guests daily. With an average daily rate of \$80-\$90 and occupancy at just 70%, there is simply not enough revenue to cover critical expenses such as our mortgage, property liability insurance, utilities, workers' compensation, franchise fees, online travel agency commissions, property taxes, and more.

This wage ordinance would cost Motel 6 hundreds of thousands of dollars per year, a cost we cannot absorb. Raising rates to offset the expense is not an option, as our budget-conscious guests would simply turn to higher-end hotels offering comparable prices. Additionally, as a franchised property, we are bound by agreements that limit our ability to charge for amenities such as WiFi, HBO, breakfast, or telephone services, leaving us with few options to increase revenue. Most all franchisors require us to offer all these amenities for free.

If this ordinance passes, we will be forced to make devastating decisions that will impact our staff, their families, and the city's economy. We will have to cut jobs, reduce services, and ultimately close our doors altogether. This would not only put 34 employees out of work but also result in a significant loss of transient occupancy tax revenue for the city.

My family has owned this property since 1996, investing millions of dollars to renovate and operate it after acquiring it as a closed building. We took out many bank loans to fund this whole project. For nearly three decades, we have proudly served the Los Angeles community, contributing millions in taxes. As immigrant hoteliers, we have worked tirelessly to build something that not only provides for our families but also creates jobs and economic contributions to the city.

This ordinance threatens everything we have built. Before this ordinance moves forward, I respectfully urge you to consider a carve-out for hotels under 150 rooms. This would allow small hotels like ours, operated by immigrant and minority business owners, to survive and continue contributing to the city without being forced to close or drastically alter operations.

Thank you for your attention and consideration.

Sincerely,

Shetal Zina Patel

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

Communication from Public

Name: John Howland
Date Submitted: 12/06/2024 12:46 PM
Council File No: 14-1371-S13
Comments for Public Posting: Classic Motor Inn letter on HWMO impacts

December 5, 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 – Request for Carve-Out for Small Hotels

Dear Council President Harris-Dawson,

My name is Hitesh Patel, and I am the owner of the Classic Motor Inn at 6101 Broadway in Los Angeles. I am writing to express my deep concern regarding the proposed Los Angeles Hotel Worker Minimum Wage Ordinance.

As a small business owner, I am already struggling to make payroll due to the lack of tourism in Los Angeles. If this wage ordinance is implemented without a carve-out for small hotels with fewer than 150 rooms, I will be forced to close my business. My hotel cannot afford to absorb such a significant cost increase, and raising rates is not an option, as my guests are extremely price-sensitive.

I urge you to include an exemption for small hotels like mine in this ordinance. Small, family-owned businesses

cannot be held to the same standards as large corporations, especially when we are still recovering from the pandemic's economic impact. Without this carve-out, many small hotels like the Classic Motor Inn will shut down, resulting in job losses for our employees and reduced tax revenue for the city.

Please consider the devastating impact this ordinance will have on small businesses and carve out an exemption for hotels with fewer than 150 rooms.

Thank you for your time and understanding.

Sincerely,
Hitesh Patel
Owner
Classic Motor Inn

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