

14-0223

FEB 18 2014

ECONOMIC DEVELOPMENT

MOTION

By maintaining free public tourist attractions like Hollywood Boulevard, Griffith Park and Venice Beach, modernizing LAX, upgrading the Convention Center and helping to build the public transportation system that will carry visitors around the city, to and from hotels, the City of Los Angeles has made significant financial investments to create a climate that has allowed the hospitality industry to thrive in Los Angeles. The City's investments have proven helpful for the hospitality industry, which has enjoyed three consecutive years of growth, and which boasts an occupancy rate of 75.4% (far better than the national average of 62%) and a "revenue per room available" rate of \$100 - a 12-year high for LA. Since hotels receive definite benefits from City assets and investments, it is fair and reasonable that these hotels pay their employees a fair wage - especially when doing so would so greatly benefit the people of and the economy in Los Angeles.

According to the Economic Development Department, 43% of the people who work in hotels in Los Angeles earn wages that still put them far below the federal poverty line. Wages paid to hotel employees are economically restrictive and prevent many hospitality employees from having purchasing power at local businesses, which has a devastating toll on Los Angeles' local economy. According to research done by the Economic Policy Institute, increasing wages for hotel workers could generate more than \$70 million in economic activity for Los Angeles.

Income inequality is one of the most pressing economic, social and civil rights issues facing Los Angeles, and establishing a fair wage for hotel employees will help raise thousands of Angelenos out of poverty. Economic studies have made the circumstances of those living paycheck to paycheck clear, and hotel employees should not be forced to work two or three jobs to provide food and shelter for their families.

Several cities, including Santa Monica and West Hollywood, have realized the value in providing enhanced wages for employees in the hotel and tourism industry, and voters in the City of Long Beach adopted a living wage for hotel workers by a nearly 2-1 margin just last year.

In 2007, the Los Angeles City Council passed a living wage ordinance for workers employed in hotels near LAX, and in 2009 passed an ordinance that raised the wages for airport employees. The living wage for airport employees has resulted in higher pay and real benefits for low-income families, and the hotels around LAX have continued to thrive. In recent years, LAX passenger traffic has steadily increased (4.7% increase in 2013, following a 3% increase in 2012) as the city has invested in infrastructure that draws tourists to Los Angeles.

**I THEREFORE MOVE** that the City Council instruct the CLA to secure a study and provide for public input of the Citywide economic impacts of imposing a living wage of \$15.37 for hotel employees at hotels with more than 100 rooms; and

**I FURTHER MOVE** that, if supported by the study, the City Council request the City Attorney to work with the CLA and CAO in preparing and presenting an ordinance that requires a living wage for hotel workers at hotels with more than 100 rooms.

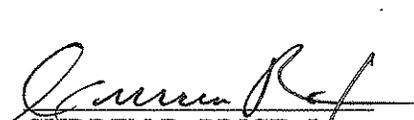
PRESENTED BY:



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SECONDED BY:



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ORIGINAL