



California National Organization for Women
915 L Street, Suite C245 Sacramento, CA 95814
916-442-3414 www.canow.org

September 22, 2014

Councilman Curren Price
200 N. Spring Street, Room 420
Los Angeles CA 90012
Fax: [213 473-5946](tel:2134735946)

RE: **Hotel Living Wage, Council 14-0223**

Dear Councilman Price:

I am writing on behalf of the California National Organization for Women ("California NOW") in support for the Hotel Living Wage. The evidence is clear; there is a need for every worker to have at least 5 paid sick days and a living wage.

More than three in four food service and hotel workers (78 percent) don't have a single paid sick day. Workers in child care centers and nursing homes also overwhelmingly lack paid sick days.

Women are a large majority of minimum wage earners.

- Women make up about two-thirds of all workers who are paid minimum wage or less, and 60 percent of full-time minimum wage workers. Women are also two-thirds of workers in tipped occupations. These workers provide care for children and frail elders, clean homes and offices, and wait tables.
- Women of color are disproportionately represented among minimum wage workers. Twenty-two percent of minimum wage workers are women of color, compared to less than 16 percent of workers overall.
- More than three-quarters of women earning the minimum wage are age 20 or older, and most do not have a spouse's income to rely on.

What is also clear; the majority of Hotel Industry employees are women of color. 43% live below the poverty line, and work two jobs to support themselves and their families.

Est. 1975 California NOW is the largest feminist organization in the state

❖ Patricia Bellasalma President ❖

By raising the minimum wage for hospitality workers, we create a more just society that lifts working women out of poverty and improves the quality of life for over 40,000 workers and their families.

For all of the foregoing reasons, California NOW strongly supports Hotel Living Wage.

For Equality & in Solidarity,



Patricia Bellasama, J.D.
President, California National Organization for Women



THE BEVERLY GARLAND

September 22, 2014

Hon. Herb J. Wesson, Jr.
President, City Council
200 N. Spring Street, Room 430
Los Angeles, CA 90012

Re: CF#14-0223 Citywide Hotel Worker Minimum Wage Ordinance

Dear Mr. Wesson,

It is with the gravest concern that I address you today regarding the fate of my Family's 46-year-old business and our 200 employees.

As you may know, my family committed to bank finance a complete renovation of the 250-room Beverly Garland Hotel and Restaurant in the East San Fernando Valley. In order to attract international tourists, entertainment business people, and the neighborhood community our renovation includes dropping the Holiday Inn franchise, renovation of the Hotel's rooms and meeting spaces and hiring more skilled employees. We believe this will provide a great lift to East Valley experience. Already we have added an additional 50 employees and, with the re-launch of a neighborhood orientated restaurant, we will add approximately another 25 employees. Even though we are only half way through our changes, the response from the community and international travelers has been an astounding success.

However, I must inform you that these positive changes are in imminent danger from the proposed \$15.37 wage hike. We have run the numbers. The Hotel earns a 10% profit. The proposed wage hike would eliminate the total profit and add a 29% deficit. There would be no way to make our loan payment with an added 2 million in wages, work comp, and payroll taxes. In order to mitigate these costs, we would have to cut nearly 30% of our workforce, go from full medical benefits to minimum, eliminate our free employee meal program, and discontinue leadership trainings. Even if we could stay open, the necessary job eliminations would reduce our fledgling upscale hotel to limited service and probably require us to re-employ a budget franchise. Rate growth would reverse, as would our

4222 Vineland Ave. North Hollywood, CA 92602 | 818.980.8000 |
beverlygarland.com

contribution to City Taxes. It would also be a quality-of-life blow to a community struggling to attract tourism and a higher standard of business. Finally, we would be forced to stop the restaurant re-development and go back to coffee shop style limited service.

I am a supporter of wage growth. I am already working on developing a sustainable model with the Mayor's proposed \$13.27 wage. Under that model the Hotel just might be able to sustain itself and continue to offer its choice employee benefits and guest satisfaction.

I implore you to consider the consequences of your vote this week on the proposed \$15.37. I understand and champion it's great intention, but its intention **will fail** with the lay-offs that it will cause. In addition, it will create a radically uneven playing field between all businesses and drive occupancy and taxes to areas like West Hollywood who is currently constructing six new upscale Hotels.

This proposal, as written, once again underscores the disconnect between downtown and the San Fernando Valley. Our Valley businesses simply do not have the advantages of Downtown/LAX business sector. You will once again create the perfect argument for why the Valley should again consider ceding from the City. With the diverse business zones created by such a spread out city, the City Council must consider an ordinance of such great impact and its affects across the different business zones before unilaterally imposing it across the board.

Most likely, my family will be forced to close the Beverly Garland and return it to the bank. This would cause a lay-off all 200 employees, a loss of one large destination for tourism and travel, reduced occupancy taxes to the City, and the loss of a budding new resource for the East Valley...everything your meeting last week was supposed to prevent. The future of our forty-six year old business, a community partner as you witnessed on our visit last week, and 200 Valley jobs....is in your hands.

Most sincerely,



James F. Crank
Asset Manager



Richard Williams <richard.williams@lacity.org>

Fw: Letter to Council President Herb Wesson

Robert M Amano <bobamano@sbcglobal.net>
Reply-To: Robert M Amano <bobamano@sbcglobal.net>
To: "richard.williams@lacity.org" <richard.williams@lacity.org>

Mon, Sep 22, 2014 at 3:24 PM

Please include letter below in documents for CF# 14-0223.
Thank you.

Bob Amano
Executive Director
Hotel Association of Los Angeles
T: 213.239.5607
F: 213.239.5617

----- Forwarded Message -----

From: Mike Shoffit <MShoffit@ardenthotels.com>
To: "Robert M Amano (bobamano@sbcglobal.net)" <bobamano@sbcglobal.net>
Sent: Monday, September 22, 2014 2:44 PM
Subject: Letter to Herb Wesson

September 22, 2014

Hon. Herb J. Wesson Jr.
President, City Council
200 North Spring Street, Room 430
Los Angeles, CA 90012

Re: CF#14-0223 citywide hotel workers minimum wage ordinance

Dear Hon. Mr. Wesson,

My name is Mike Shoffit and I am the General Manager of the Historic Mayfair Hotel at 1256 West 7th Street. We employ roughly 60 people on a full and part time basis. We are currently undergoing a \$13 – \$15 million dollar renovation to the hotel. This current ordinance plan is very narrow in scope (only downtown hotels) and puts an undo burden on the selected hotels. While this increase will have a tremendous negative impact on the hotels, it affects so few people overall that economic impact you are looking for, will not be achieved. This new wage ordinance will immediately impact our operation by over \$900,000 in wages, payroll taxes and other payroll related costs. This will cause us to cut our staff (loss of jobs) and cut our services to the guests. This may make us reduce the size of the financial investment in the hotel (our renovation). This increase puts all the downtown hotels at an unfair competitive advantage with the surrounding hotels that are not subject to this ordinance. This ordinance will have a very negative affect on an industry that is bringing \$16.5 billion in direct spending and \$30.5 billion in total economic benefits to the city. For

Los Angeles to continue to grow, it needs tourism and this ordinance will do nothing but drive a stake in to the heart of an industry that is helping Los Angeles grow. Please vote against this ordinance. Thank You

Mike Shoffit

General Manager

The Historic Mayfair Hotel

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www.MayfairLA.com

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