

Questions for Citywide Living Wage Hotel Employee Economic Impact Study

- Who will do the study?
 - The study must be conducted by a reputable economist who isn't using data to drive an outcome and who is interested in the economic impacts, not the social outcomes
- What have been the overall effects of the LWO on the hotels along the Century Blvd. Corridor?
 - What are those effects when the data is adjusted to account for the growth in the US economy and growth in overall travel from the time the wage was implemented until today?
- What was the cost to hotels from the increase?
 - How did the hotels manage those costs?
 - Absorption? Passed on to guests? Reduced staff levels or hours?
- How have the Century Blvd. hotels compared with hotels in El Segundo and elsewhere in that area that do not have a \$13-plus hour minimum wage?
- What has been the effect on the hotel restaurants, bars, room service (food & Beverage) at those hotels?
- How many hotels signed CBAs on Century Blvd. and how does this compare to the county and to national averages?
- Similarly, what have been the effects of the hotel LWO increases in Long Beach and in cities such as New York and elsewhere?
 - Have new hotels been built in Long Beach?
 - Have New York hotels stopped various services and cut jobs?
- What will be the effects on the hotel industry if a \$15 per hour minimum wage is imposed?
 - What will be the average increase in room rates?
 - How will that increase affect tourism and room stays?
 - Will higher room rates mean less spending in other areas of the local economy like restaurants, museums, taxis, retailers, etc.?
 - Will hotel jobs be cut? Will hours and shifts be cut?
 - Will reduced profits affect existing loans as P/E ratios or profits may drop below those required in loan agreements?
- How will higher costs affect hotel restaurants, especially those in areas where they compete with non-hotel restaurants nearby?
- What is the average reported wage for a tipped employee?
 - What will be effect of not including tipped employees whose reportable wages exceed \$15/hour in the mandated increase?
 - What percentage of the non-tipped employee workforce makes \$8.25 / hour? What percentage already makes over \$15 / hour?
 - How many of those employees below \$15 / hour have healthcare plans? How many employers can be expected to drop healthcare coverage?
- What will be the overall effect on a hotel's food and beverage operations if the wage is raised to \$15 per hour?
 - Does the effect grow, diminish or stay constant as the number of rooms in a hotel affected by the wage mandate is raised?

- What will be the effect on investments into renovation of existing hotels?
 - What will be the job impacts?
 - What will be the long term impacts to those hotels?
- How will this wage increase affect investments into new hotels?
 - Will size matter? (i.e., will investors still put money into large 400-plus room hotels but not 120-room hotels? Or vice versa?)
 - What are the effects if this is levied on 100+ room hotels vs. 200+ room hotels vs. 300+ room hotels or vs. 400+ room hotels?
 - Are the effects more deleterious to smaller hotels? And if so, how?
- Will hotel developers build in surrounding cities that do not have a citywide \$15 hotel wage mandate instead of LA?
- How many developments can we expect to leave LA (not be built) and how many construction, full-time staff and third-party service provider jobs will be lost as a result?
- What will be the effect on “boutique” hotel investment and construction?
- What will be the effect on Downtown hotels of an LWO?
- What will be the effect on Downtown if no more boutique hotels are built in the area?
 - What will the ripple effect be on other new businesses coming into Downtown?
- What will be the overall effect on the Convention Center if the 5,000 new hotel rooms that are needed go unbuilt?
- Adaptive Reuse has been instrumental in revitalizing portions of Downtown and in bringing in new hotel brands to the city. What are the costs associated with building a hotel through adaptive reuse versus ground-up construction?
 - Do these costs make it more difficult to build a hotel through adaptive reuse?
 - Will the added costs from a living wage mandate make investors more likely to abandon an adaptive reuse hotel project than a ground-up project?
 - Is it more difficult to finance a hotel project that uses adaptive reuse than through ground-up construction?
 - If so, do the lower P/E ratios mean that banks will not give loans or may call in existing loans to adaptive reuse hotels?
 - How many construction jobs are created per room for an adaptive reuse hotel? And how does that compare to ground-up hotels?
- Has a study ever been done about raising a minimum wage, even for one industry sector, by nearly 80%? What were the effects on the economy of such an increase?
 - What is the largest mandated wage increase and what were the effects?
- What is the actual effect of “free” tourist attractions such as Griffith Park, Venice Beach, Hollywood Blvd., modernizing LAX, modernizing the Convention Center or investments in public transportation on bringing in visitors who stay at hotels in the City of Los Angeles?
 - How many of those visitors can be attributed solely to those attractions and not other factors in whole or in part?
- Excluding the Convention Center, do these other “free attractions” have any effect on visitors’ decisions to stay in Los Angeles? In other words, if Hollywood Blvd. did not exist, how many visitors who stay in Los Angeles would actually travel elsewhere and how many room nights are affected?

- How much effect does a privately owned business have in these areas ability to draw tourists (e.g., the Chinese Theater as part of Hollywood Blvd.)
 - How much does the County's operation of a state asset such as the beach at Venice Beach compare with the city's investment there?
- How big is the impact of the Convention Center?
- How much impact does the lack of an easy-to-navigate, user-friendly public transportation system that actually gets people to where they want to go (compared to NY, Paris, London, SF) adversely affect people coming or staying in Los Angeles?
- How much effect do attractions that are either not free or not in the City of Los Angeles have on people staying at hotels in the City of Los Angeles (e.g., the Rose Parade or a Staples Center concert)?
- How much does LAX's poor image negatively affect the ability of the city to attract tourists?
- How many room nights are lost to other city's because of the poor quality and small size of the Convention Center?