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July 13, 2023

The Honorable Traci Park
Los Angeles City Council
200 North Spring Street
Suite 410
Los Angeles, CA 90012

RE: Raising the LA Living Wage and LA Hotel Worker Minimum Wage to \$30 in 2028

Dear Councilmember Park:

Serving the communities of Westchester, Marina del Rey, Playa Vista, Playa del Rey, Ladera Heights, and surrounding areas of Los Angeles, the LAX Coastal Chamber of Commerce promotes business and enhances the vitality of our community through member services, educational programs, strategic partnerships, community outreach and legislative advocacy.

The LAX Coastal Chamber of Commerce strongly opposes the mind-blowing April 12, 2023 motion to raise the minimum wage for employees covered by the Los Angeles Living Wage Ordinance or the Los Angeles Hotel Minimum Wage Ordinance to an annual rate of \$62,400 and effectively setting the minimum salary for non-hourly exempt employees at \$124,800 by 2028.

(\$30 per hour X 40 hours a week X 52 weeks a year = \$62,400. State law requires non-hourly exempt employees be paid at least twice the hourly minimum wage setting their minimum salary at $2 \times \$62,400 = \$124,800$.)

According to a recent study done by Oxford Economics, key findings demonstrated that this motion would trigger the loss of over 12,000 jobs in the hotel, construction, and other related industries and over 1.9 billion in sales annually. Along with these impacts, approximately \$138 million in lost state and local tax revenue.

Making Los Angeles an affordable place to live and to visit is a complex endeavor with many different factors in play. Such a radical increase in wages and salaries mandated by the City Council could not happen without significant negative consequences on how businesses operate including the number of jobs available and the prices they charge their customers (including the City of Los Angeles in the case of contractors covered by the Living Wage Ordinance).

It should also be noted that hotels in Los Angeles have already significantly altered their operations due to the recently enacted Hotel Housekeeping Ordinance.

Tourism is an economic driver for the City of Los Angeles. Of course, travelers have a world full of choices over where to go. The real economic consequences of this proposal must be looked at closely and it cannot simply be passed to curry favor with powerful labor unions.



We understand that wages need to be looked at, but let's holistically look at them for all Angelenos and not target just a couple of key industries.

Sincerely,



Chad Maender
President/CEO

cc: Mayor Karen Bass
Council President Paul Krekorian
Councilmember Eunisses Hernandez
Councilmember Bob Blumenfield
Councilmember Nithya Raman
Councilmember Katy Yaroslavsky
Councilmember Imelda Padilla
Councilmember Monica Rodriguez
Councilmember Marqueece Harris-Dawson
Councilmember Curren D. Price, Jr.
Councilmember Heather Hutt
Councilmember John Lee
Councilmember Hugo Soto-Martinez
Councilmember Kevin de Leon
Councilmember Tim McOsker