

Reese, Latasha

Subject:

FW: Pasadena Hospitality Ordinance

Sent: Wednesday, June 24, 2020 5:25 PM

To: Mermell, Steve <smermell@cityofpasadena.net>

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Dear Steve, I suspect that Eric will share this information with you, but thought it prudent to send you a note directly. I was on a call last week with several Pasadena stakeholders including Vice Mayor Hampton and Councilmember Gordo regarding the continuing dialogue on the proposed Hospitality Ordinance. It was communicated that they would share what is currently being considered by the Economic Development and Technology Committee. Now that I have received, I offer the following comments:

The Los Angeles Ordinances, if similarly implemented in the City of Pasadena, will have a detrimental impact on the hotel industry here. Now more than ever our business faces an uncertain future. These types of regulations hinder our ability to implement nimble and flexible operations in a post COVID-19 economy. We offer the following specific feedback on the Los Angeles Ordinances below.

Right of Recall Ordinance

The most concerning aspect of LA's Recall Ordinance is the rebuttable presumption which establishes a private right of action for former Laid Off Workers who were laid off after March 4, 2020. This will undoubtedly create an avenue for unfettered frivolous lawsuits which will cost our business tens of thousands of dollars in legal fees. Plaintiffs lawyers are already champing at the bit. In a post COVID-19 world we simply do not have tens of thousands of dollars to spare.

Another troubling point is that the LA Recall Ordinance has no sunset date. As it stands, the Ordinance will remain indefinitely. Placing even further uncertainty and strain on us.

The Recall Ordinance is simply not necessary because the Langham Huntington is and will continue to do the right thing when it comes to our current and former employees. It is our general policy to post open positions to the public and simultaneously reach out to and invite laid off employees to re-apply, as well

as invite those former employees who may have similar, transferable skills to apply. Once we have received applications for an open position, we evaluate the applicants based on their skills and abilities and take into great consideration their former length of service. As a result of this process, we tend to offer positions to those former laid off workers anyway. Therefore, the Recall Ordinance would make little difference to our current hiring process. If enacted, the Ordinance would only serve to stifle our business's ability to survive.

Worker Retention Ordinance

If such an ordinance were enacted here in Pasadena, many commercial property owners and hotels like ours will need to make difficult decisions about solvency and ownership in a post COVID-19 economy. The Worker Retention Ordinance severely limits how hotels may be able to innovate new business models to survive. It also further imposes significant burdens on businesses and successor businesses subject to the ordinance to retain all written offers and performance evaluations for a period of no less than three (3) years. In order to satisfactorily comply with this requirement, businesses will need to invest in costly servers and databases. Adding yet another unnecessary cost to doing business.

Paid Sick Leave Ordinance

Again, such an ordinance is unnecessary here in Pasadena because we currently provide generous sick leave benefits to our employees. In fact, we offer six (6) paid days of sick leave which already meet the recommendations of the Los Angeles Ordinance.

For the foregoing reasons, we are adamantly and unequivocally against the adoption of the proposed Pasadena Hospitality Ordinance and cannot stress enough that any initiative that dictates business practices should impact all business sectors, not solely focusing on businesses that are currently following good business practices and have been decimated by the impact of Covid-19.

Warm regards,

Paul

Paul Leclerc

Managing Director

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