



May 20, 2025

The Honorable Karen Bass
Mayor, City of Los Angeles
200 N Spring Street
Los Angeles, CA 90012

RE: Urgent Request to Veto the Proposed \$30 per Hour Wage Ordinance (Council File: 14-1371-S13)

Dear Mayor Bass,

On behalf of the 32,000 member companies of the American Hotel & Lodging Association (AHLA), I write with deep concern and urgent caution to **request that you veto the proposed tourism -wage ordinance Council File: 14-1371-S13.**

AHLA along with industry partners and our members met with many city council offices in hopes of having productive and meaningful discussions to find a compromise. Our industry was largely ignored. We are asking that you veto this ordinance so that all parties can have meaningful dialogue with your office to reach a compromise that benefits workers, the tourism industry and the city. The dire economic warnings issued by our industry, the City's own Chief Administrative Officer (CAO), and the CEO of the Los Angeles World Airports (LAWA) detailed below make clear that now is the worst possible moment to consider any changes to the city's already-fragile travel, tourism, and hospitality sector.

If the ordinance is signed into law, we anticipate an economic tsunami in irreversible damage to the sector, including:

- Occupancy rates would dip below existing 10-year lows
- As many as 15,000 tourism industry staff would be laid off¹
- More than \$169 million would be lost in City tax revenue
- More than \$342 million in new hotel developments would be derailed
- Special room rates for the 2028 Olympic and Paralympic Games would be eliminated²

As you know, the tourism industry has historically been one of Los Angeles' greatest economic drivers, generating over \$40 billion in local business sales annually and employing more than 540,000 Angelenos.³ However, the compounded effects of lagging post-pandemic recovery, the

¹ Oxford Economics. Economic Impact of City Council Motion (April 12, 2023) to Amend LWO and LA HWMO. (2023).

² [Los Angeles Times, May 13, 2025](#)

³ [LA Tourism](#)

devastating wildfires, international travel declines, inflation, high interest rates, and many more issues outside of our control have pushed the city’s hospitality industry to the brink. The city now faces a projected \$1 billion budget shortfall⁴, while tourism-dependent revenues – particularly from the Transient Occupancy Tax (TOT) – continue to fall.⁵

A Collapse in Tourism Revenue and Demand

The City’s CAO Matthew Szabo, in his April 29, 2025, testimony before the Budget Committee, delivered an unambiguous warning: the City’s revenue assumptions from tourism are “increasingly unstable.” Among his concerns were:

- January wildfires and erratic tariff policies
- Economic and tourism boycotts
- Shrinking international travel and tourism spending

Mr. Szabo reported that hotel occupancy rates have fallen below 60%—levels not seen since 2016—and noted the risks of entering a recession. The TOT, which funds essential services like police and sanitation, remains well below targets, jeopardizing city services even further.

Meanwhile, LAWA CEO John Ackerman, in his April 22, 2025, quarterly update, revealed that LAX has dropped out of the world’s top ten busiest airports, and its passenger volume is expected to decline. International recovery lags more than 30% behind other major U.S. airports, and domestic seat capacity has dropped more than 20% due to cuts by Southwest, Hawaiian, and Allegiant Airlines. Terminal 1 concession revenues are down 30%, and Delta has withdrawn its entire 2025 outlook – a move that underscores the depth of industry uncertainty.

As Ackerman starkly concluded:

“This is the time to reduce the burdens for the people who can create jobs—not the time to increase burdens... some of the things being considered will actually make it more difficult for workers.”

This Ordinance Would Worsen an Already Dire Situation

The timing of the City Council’s proposal to raise the minimum wage for hotel and airport tourism workers to \$30 per hour is economically disastrous. With two hotels already closing this year, more than 270 jobs lost⁶, and hotels needing to renegotiate or scrap Olympic room block agreements, there is no doubt that the consequences of this proposal are already materializing. Airlines have pulled over 320,000 seats from LA routes through October. Canadian tourism to the U.S. is down

⁴ Shawn Hubler and Orlando Mayorquín. Los Angeles Faces Nearly \$1 Billion Deficit as it Rebuilds from Fires. (The New York Times, 2025).

⁵ Matthew W. Szabo, Los Angeles City Administrative Officer. Third (Mid-Year) Financial Status Report 2024-2025 Budget. (2025).

⁶ American Hotel & Lodging Association ‘LA in Focus: The Tourism Industry Today’ (2025)

more than 70% in 2025.⁷ European and Chinese visitation continues to fall sharply. These are not hypothetical threats, they are current realities, and they are crippling the travel and hospitality economy. The proposal's economic toll will extend beyond the hospitality sector, affecting restaurants, event venues, and small businesses that depend on a healthy tourism ecosystem.

A Call for Responsible Leadership

City officials themselves have described the current economic environment as one of “unprecedented uncertainty” and “full of red flags.”⁸ We respectfully urge you to heed those internal warnings. We need the city to promote recovery and stabilize one of our city's most vital economic engines.

We therefore call on you to **veto the proposed ordinance (Council File: 14-1371-S13)** and delay any further action until the city's tourism sector has stabilized. Enacting this ordinance now would not only undermine the fragile recovery of our travel and hospitality industry but would also further imperil revenue for city services and other small businesses.

Thank you for your leadership and your continued commitment to preserving a strong and resilient Los Angeles.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rosanna', with a large, stylized loop at the end.

Rosanna Maietta
President & CEO
American Hotel & Lodging Association

⁷ John Ackerman ‘Testimony before the Los Angeles City Council Budget Committee’ (April 22, 2025)

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