



City of Long Beach

Working Together to Serve

Memorandum

Date: September 6, 2018

To: Patrick H. West, City Manager *P.H. West*

From: John Keisler, Director of Economic Development *JK*

For: Mayor and Members of the City Council

Subject: Hotel Worker Ordinance – Economic Impact Study by BAE Urban Economics

At its September 4, 2018 meeting, the City Council directed staff to draft an ordinance pertaining to Hotel Workplace Requirements and Restrictions (Hotel Worker Ordinance). Per the direction of the City Council, staff is evaluating the economic and fiscal impacts of the Hotel Worker Ordinance (Ordinance).

Staff has engaged BAE Urban Economics (BAE) to conduct the fiscal evaluation of the Ordinance. BAE was engaged for this effort due to their familiarity with the Long Beach hospitality environment. In December 2016, BAE completed a Hotel Market Study and Demand Analysis, and a Hotel Incentive Program Study for the City.

As part of their evaluation of the Ordinance, BAE will prepare a comparative review of current practices and standards of hotels in Long Beach, and the hospitality industry as a whole. The review will also include a summary of provisions in similar hotel workforce protection ordinances (such as Seattle, Chicago, Sacramento, Miami, Las Vegas, and New York) and outcomes from implementation. BAE will prepare a qualitative review of potential economic impacts of the Ordinance on the operating costs of hotels and the resulting viability of existing and proposed future hotels. Additionally, the evaluation will include a discussion of potential impacts on transient occupancy tax, property tax, and sales tax.

BAE plans to conduct outreach to both operators of hotels and labor representatives to ensure balanced input regarding the impacts of the Ordinance. Staff expects to bring BAE findings to the City Council in October.

Please contact me, or Sergio M. Ramirez, Deputy Director of Economic Development, by phone at (562) 570-6129 or email sergio.ramirez@longbeach.gov, with any questions.

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