THE BUSINESS PERSPECTIVE:

Sign Now Or Pay Later

Your business may soon be under attack just like the 12 hotels on Century Boulevard near Los Angeles International Airport. The Los Angeles City Council has decided to mandate how much this small group of employers should pay their workers. If the City Council’s action stands, no business in L.A. will be safe. That is why we are circulating a petition for a referendum to overturn this ordinance. And we need your help.

The recent action by the City Council is in direct opposition to the intent of the living wage ordinance enacted nine years ago. At that time, the law only applied to businesses that were contractors with the city or leased land from the city. The City Council’s action shows a complete lack of appreciation for history, business and economics.

Council members say they imposed the city’s living wage ordinance on these hotels because the hotels benefit by being located near LAX. Bear in mind that none of the hotels has a contractual relationship with the city. Nor does the city of L.A. spend a penny at LAX. All funding for the airport comes from fees and rent paid by travelers, airline carriers and concessionaires.

The proximity reasoning is preposterous. Does this mean the city can tell businesses located near other city-owned facilities that the city’s living wage ordinance will regulate them? And what will happen when the city improves a street near your business? Will a living wage be a quid pro quo?

Labor unions have spent the last year trying to organize these hotels. Hotel management offered to make an election available, but the unions chose to go another route and ask for help from City Council members they helped elect. In other words, when it became clear that the unions lacked the votes to unionize these businesses, they decided to utilize their close relationship with members of the City Council to avoid a democratic vote by employees. One only needs to read the city’s living wage ordinance to see that it specifically exempts businesses represented in collective bargaining by a union. Can the motives and transparency of that language be any clearer?

The hotels are taking this issue to the voters through a referendum, and we support their initiative. This action by the council endangers our economy and expands the power of the city in ways that are easy to predict and potentially overheating in the future. And in the end, it will only hurt the citizens of L.A.

The city of L.A. has lost 50,000 jobs during the past 25 years - while its population has grown by one million people. Businesses have been shunning L.A. because ordinances like this one continue to send a message to many fast-growing, job-creating businesses that there is more opportunity and less risk if they locate in other cities. The numbers speak for themselves.

More than 49,000 registered voters in the city of L.A. must sign the referendum by Friday, Dec. 29 to give L.A. citizens a chance to vote on this ordinance in May. Sign a petition at the Chamber office or go to www.savelajobs.com.

Signing the petition today will save your business and our community jobs in the future.

And that’s The Business Perspective.

by Gary Toebben, President & CEO, Los Angeles Area Chamber of Commerce

L.A. Business

THIS WEEK

View the latest issue of the Chamber’s weekly newsletter or subscribe.

Sign the petition now to save L.A. jobs.

Gary L. Toebben
President & CEO
Los Angeles Area Chamber of Commerce

The Business Perspective is a weekly opinion piece by Gary Toebben, President & CEO of the Los Angeles Area Chamber of Commerce, produced with the input of Senior Policy Advisor Rusty Hammer.