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Los Angeles Municipal Code

ARTICLE 3

HOTEL WORKER RETENTION ORDINANCE

(Added by Ord. No. 178,083, Eff. 12/30/06.)

Section

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SEC. 183.00. PURPOSE.

The Los Angeles International Airport (LAX) is among the world's busiest airports, hosting millions of travelers every year. The City of Los Angeles is responsible for the maintenance and operation of LAX, and as a result of this support, the businesses in the area adjacent to LAX reap significant economic benefits. In particular, the hotels in the LAX area enjoy the highest occupancy rate of all Los Angeles hotels due to their proximity to the airport.

Past business practices at Los Angeles hotels have resulted in mass layoffs of hotel workers. Historically, when corporate ownership or management of a hotel changes, the new operator closes the hotel for renovations and reopens with a new workforce; very few, if any, of the former hotel's employees are retained, and hundreds of workers are displaced. While this practice has become less common most areas in Los Angeles, it nonetheless occurred at an LAX-area hotel during the transfer of the LAX Wyndham to Pacifica Host Hotels. The Wyndham was reopened as the current LAX Radisson, and virtually none of the Wyndham workers were retained to continue performing basic services that are common at every hotel.

A transitional retention period upon change of ownership, control, or operation of hotels ensures employment stabilization for a segment of the community. It also alleviates the demands for social services provided by the City and other local governments due to any worker displacement and resulting unemployment. Through this ordinance, the City seeks to maintain the welfare and stability of the LAX-area hotel workforce. Whereas the LAX-area hotels derive a distinct benefit from their location near the airport, they have both the ability and responsibility to support the local workforce by engaging in fair employment practices.

SEC. 183.01. DEFINITIONS.

The following definitions shall apply to this chapter:

A. **"City"** means the City of Los Angeles.

B. **"Change in Control"** means any sale, assignment, transfer, contribution, or other disposition of all or substantially all of the assets used in the operation of a Hotel or a discrete portion of the Hotel that continues in operation as a Hotel, or a controlling interest (including by consolidation, merger, or reorganization) of the Incumbent Hotel Employer or any Person who controls the Incumbent Hotel Employer (IHE Parent).

C. **"Employment Commencement Date"** means the date on which a Hotel Worker retained by the Successor Hotel Employer pursuant to this chapter commences work for the Successor Hotel Employer in exchange for benefits and compensation under the terms and conditions established by the Successor Hotel Employer or as required by law.

D. **"Hotel"** means a residential building located within the area designated by ordinance as the Gateway to LA (Century Corridor) Property Business Improvement District (Century Corridor PBID) that is designated or used for lodging and other related services for the public, and containing 50 or more guest rooms, or suites of rooms. "Hotel" also includes any contracted, leased, or sublet premises connected to or operated in conjunction with the building's purpose, or providing services at the building. If the Century Corridor PBID ceases to exist, the boundaries at the time of dissolution shall remain in effect for purposes of this article.

E. **"Hotel Worker"** means any individual (1) whose primary place of employment is at a Hotel subject to a Change in Control, (2) who is employed directly by the Incumbent Hotel Employer, or by a Person who has contracted with the Incumbent Hotel Employer to provide services at the Hotel subject to a Change in Control, and (3) who has worked for the Incumbent Hotel Employer for at least one month prior to the execution of the Transfer Document. "Hotel Worker" does not include a managerial, supervisory, or confidential employee.

F. **"Incumbent Hotel Employer"** means the Person that owns, controls, and/or operates a Hotel subject to a Change in Control prior to the Change in Control.

G. **"Person"** means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.

H. **"Successor Hotel Employer"** means the Person that owns, controls, and/or operates a Hotel subject to a Change in Control after the Change in Control.

I. **"Transfer Document"** means the purchase agreement or other document(s) creating a binding agreement to effect the Change in Control.

SEC. 183.02. HOTEL EMPLOYERS' RESPONSIBILITIES.

A. The Incumbent Hotel Employer shall, within 15 days after the execution of a Transfer Document, provide to the Successor Hotel Employer the name, address, date of hire, and employment occupation classification of each Hotel Worker.

B. The Successor Hotel Employer shall maintain a preferential hiring list of Hotel Workers identified by the Incumbent Hotel Employer as set forth in Subsection A. of this section, and shall be required to hire from that list for a period beginning upon the execution of the Transfer Document and continuing for six months after the Hotel is open to the public under the Successor Hotel Employer.

C. If the Successor Hotel Employer extends an offer of employment to a Hotel Worker, the Successor Hotel Employer shall retain written verification of that offer for no fewer than three years from the date the offer was made. The verification shall include the name, address, date of hire, and employment occupation classification of each Hotel Worker.

SEC. 183.03. TRANSITION EMPLOYMENT PERIOD.

A. A Successor Hotel Employer shall retain each Hotel Worker hired pursuant to this chapter for no fewer than 90 days following the Hotel Worker's Employment Commencement Date. During this 90-day transition employment period, Hotel Workers shall be employed under the terms and conditions established by the Successor Hotel Employer or as required by law. The Successor Hotel Employer shall provide Hotel Workers with a written offer of employment. This offer shall remain open for at least ten business days from the date of the offer.

B. If, within the period established in Section 183.02 B., the Successor Hotel Employer determines that it requires fewer Hotel Workers than were required by the Incumbent Hotel Employer, the Successor Hotel Employer shall retain Hotel Workers by seniority within each job classification to the extent that comparable job classifications exist.

C. During the 90-day transition employment period, the Successor Hotel Employer shall not discharge without cause a Hotel Worker retained pursuant to this chapter.

D. At the end of the 90-day transition employment period, the Successor Hotel Employer shall perform a written performance evaluation for each Hotel Worker retained pursuant to this article. If the Hotel Worker's performance during the 90-day transition employment period is satisfactory, the Successor Hotel Employer shall consider offering the Hotel Worker continued employment under the terms and conditions established by the Successor Hotel Employer or as required by law. The Successor Hotel Employer shall retain a record of the written performance evaluation for a period of no fewer than three years.

SEC. 183.04. NOTICE OF CHANGE IN CONTROL.

A. The Incumbent Hotel Employer shall post written notice of the Change in Control at the location of the affected Hotel within five business days following the execution of the Transfer Document. Notice shall remain posted during any closure of the Hotel and for six months after the Hotel is open to the public under the Successor Hotel Employer.

B. Notice shall include, but not be limited to, the name of the Incumbent Hotel Employer and its contact information, the name of the Successor Hotel Employer and its contact information, and the effective date of the Change in Control.

C. Notice shall be posted in a conspicuous place at the Hotel so as to be readily viewed by Hotel Workers, other employees, and applicants for employment.

SEC. 183.05. RETALIATORY ACTION PROHIBITED.

No Hotel Employer employing Hotel Workers shall discharge, reduce in compensation, or otherwise discriminate against any Hotel Worker for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting rights under this article.

SEC. 183.06. ENFORCEMENT.

A. Hotel Workers may bring an action in the Superior Court of the State of California against the Incumbent Hotel Employer or the Successor Hotel Employer for violations of this article and may be awarded:

1. Hiring and reinstatement rights pursuant to this article, with the 90-day transition employment period not commencing until the Hotel Worker's Employment Commencement Date with the Successor Hotel Employer.

2. Front pay or back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

a. The average regular rate of pay received by the Hotel Worker during the last three years of the Hotel Worker's employment in the same occupation classification; or

b. The most recent regular rate received by the Hotel Worker while employed by either the Incumbent Hotel Employer or the Successor Hotel Employer.

3. Value of the benefits the Hotel Worker would have received under the Successor Hotel Employer's benefit plan.

B. If a Hotel Worker is the prevailing party in any legal action taken pursuant to this section, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

C. Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.

SEC. 183.07. EXEMPTION FOR COLLECTIVE BARGAINING AGREEMENT.

All of the provisions of this article, or any part of, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in the agreement in clear and unambiguous terms. Unilateral implementation of terms and conditions of employment by either party to a collective bargaining relationship shall not constitute, or be permitted, as a waiver of all or any part of the provisions of this article.

SEC. 183.08. NO WAIVER OF RIGHTS.

Except for bona fide collective bargaining agreements, any waiver by a Hotel Worker of any or all of

the provisions of this article shall be deemed contrary to public policy and shall be void and unenforceable. Any attempt by an Incumbent or Successor Hotel Employer to have a Hotel Worker waive rights given by this article shall constitute a violation of this article.

SEC. 183.09. SEVERABILITY.

If any provision of this article is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.