

UNITE **HERE!** Local 11

May 11, 2026

Via Email

Hydee Feldstein Soto
Los Angeles City Attorney
200 N. Spring Street
Los Angeles, CA 90012

Re: Call for Investigation into Delta, United and American Hotel and Lodging Association's threat to financially devastate the City in exchange for weakening of Olympic Wage Ordinance

Dear City Attorney:

We write on behalf of UNITE HERE Local 11 and the Los Angeles Alliance for a New Economy (LAANE) to request that the City Attorney launch an investigation into an unethical attempt to coerce City leaders into an improper legislative trade. The same businesses and political actors who regularly criticize the efforts of Union members to engage in direct democracy as “unprincipled” and as a danger to the City’s economy and tax revenue are now threatening to hold the City budget hostage to obtain legislation. Specifically, the LA Alliance for Tourism, Jobs & Progress (funded by United, Delta, and American Hotel & Lodging Association) is pushing forward a measure to eliminate the gross receipts tax (also known as the “business tax”) that business community members recognize would decimate the City’s public services, with the explicit intent of using the threat of that measure to extract the Council’s agreement to undermine an entirely different, unconnected piece of legislation that guarantees tourism workers a living wage.

That this is a shakedown is no secret. Council President Marqueece Harris-Dawson, who introduced a motion to roll back the Olympics Minimum Wage law, said that he did not support the motion to weaken the Olympic Wage that Councilmember Lee and he introduced on December 5, 2028, but was doing it because he felt like he had a gun to his head. Another councilmember, when asked if they supported the motion to weaken the minimum wage, noted that the corporate lobbyists have “really good blackmail,” also referring to the tax measure. Still another councilmember was told by a lobbyist for the LA Alliance for Tourism, Jobs & Progress that, if the corporations could obtain three specific rollbacks of worker protections through amendments of the Olympics Minimum Wage law, they would not proceed with the initiative measure for corporate tax relief. Lastly, when the tax measure was first before the Council in mid-April, another councilmember publicly stated that the business interests backing the initiative “didn’t get their way in the Olympic Wage Ordinance and now they are throwing a tantrum.”

Indeed, we understand this unethical trade has been presented almost since the filing of the petition. In a September 2025 letter from the Hotel Association of Los Angeles about the failure of the referendum effort against the Olympic Minimum Wage, the author described the purpose of the initiative to repeal the gross receipts tax under the subheading “What’s Next”: “The proposed initiative to repeal the Gross Receipts Tax may prompt a City compromise between business and

labor initiatives, potentially improving the health care provision and eligibility for future wage adjustments. We'll inform you on ways to support this effort. Our advocacy efforts will focus on ensuring that the health care provision is more reasonably aligned with market conditions prior to its enactment.”

The same tourism corporations and allies that led the failed referendum effort then proceeded to gather signatures on the measure to abolish the gross receipts tax. On February 18, the American Hotel and Lodging Association announced that their coalition had submitted signatures in support of the measure. As an initiative to reduce a tax, the proponents required substantially fewer signatures than efforts to increase taxes, and, on March 23, the City Clerk confirmed the proponents had met the threshold to put the measure before the City Council. The Council initially referred the initiative for a study but must now place it on the ballot or adopt it outright.

A recent timeline document indicates that the architects of this shakedown scheme—using the threat of a tax measure to extract a minimum wage reduction—believe they are on the cusp of executing it. According to the timeline, on May 13, 2026, the Council would vote to place the gross receipts tax repeal measure on the ballot and, during the same meeting, direct the City Attorney to draft an ordinance—which, as detailed below, appears to be a vehicle for reducing the tourism minimum wage. Nine days later, on May 22, the Council would then approve the minimum wage ordinance on a first reading. Having secured the ordinance they actually want, the gross receipts tax measure's corporate proponents would then file paperwork to withdraw their own measure. The shakedown transaction completes on May 29, 2026. The Council would vote to remove the gross receipts tax measure from the ballot and, in the same meeting, pass the minimum wage reduction ordinance on second reading.

Consistent with the timeline, the just-released [agenda](#) for the City Council's May 13, meeting shows that the Council will consider both the business tax repeal (as Item 19) and then a motion to lower the minimum wage originally introduced to Council President Harris-Dawson and Councilmember Lee in December (as Item 20). That motion would slow down the wage schedule significantly—for example, lowering the tourism minimum wage on July 1, 2028 from \$30.00 under existing law to \$27.50. It would also exempt restaurant workers in hotels from the law's coverage and delay health benefit increases.

To be clear, the business community has every right to seek relief from taxes through an initiative. But that is not what is happening here. If the goal was tax relief, the negotiations between lobbyists of the hotel and airline industries and the Council President would have been about tax relief for businesses—not changes the corporations want to the Olympics Minimum Wage law. The two largest funders of the initiative—Delta and United Airlines—pay little, if any, of the gross receipts tax and will hardly benefit from its repeal. Their interest here is purely to lower the wages of airport and hotel workers.

The business community also had the right to attempt to pull back the gains that workers won in the Olympics Minimum Wage law through the referendum or initiative process. Of course, they tried that in 2025 and failed because the voters of Los Angeles would not sign on to their regressive efforts.

But this scheme—of promoting the tax measure for the admittedly ulterior purpose of exchanging it for legislation weakening the Olympics Minimum Wage law—is unethical and should be investigated immediately. The deployment of this dire threat to City tax revenue and services is deeply hypocritical for business and community leaders who previously claimed to be so very concerned

about the City, the budget, and City services.

First, there should be full transparency and accountability about the deal corporate lobbyists are offering. Their reports of meetings with City councilmembers should not suggest that they are advocating for support of the tax relief ballot initiative, because they are not: they have acknowledged they are using the ballot measure to try and extract changes to the Olympics Minimum Wage law. So any report suggesting that the lobbyists and their corporate clients are genuinely advocating for the tax measure should be suspect. Moreover, LA Mun. Code Sec. 48.04(C) specifically prohibits any lobbyist conduct that would “Cause or influence the introduction of any municipal legislation for the purpose of thereafter being employed or retained to secure its passage or defeat.” The City Attorney should investigate whether corporate lobbyists may have caused initiation of the tax relief measure in order to later arrange its defeat.

Second, our City’s ethics laws are intended to “restore public trust” and ensure that everyone has “a fair and equal opportunity to participate in the governmental process.” LA Mun. Code Sec. 49.5.1(C)(1), (7). Councilmembers have a duty to maintain public trust in government and to act as fiduciaries to the City. The public trust will certainly be shaken if the Council gives way to the corporate threats and sacrifices hard-won protections for working people. For this reason, we also seek an investigation to clarify whether elected leaders or City officials had advance knowledge of this attempt to use the threat of economic devastation to extract concessions on unrelated worker-protection legislation, or if they may have even participated in development of this proposed trade.

The Council must call out the corporations’ hypocritical tactics and expose the unethical scheme that we understand has been outlined to councilmembers in no uncertain terms. And the City should promote transparency and should work to restore the public trust in government by investigating the lobbying practices that have facilitated this scheme.

Sincerely,



Jeremy Blasi
General Counsel
UNITE HERE Local 11



Victor Sanchez
Executive Director
Los Angeles Alliance for a New Economy
(LAANE)

CC

Eunisses Hernandez, Councilmember District 1
Adrin Nazarian, Councilmember District 2
Bob Blumenfield, Councilmember District 3
Nithya Raman, Councilmember District 4
Katy Yaroslavsky, Councilmember District 5
Imelda Padilla, Councilmember District 6
Monica Rodriguez, Councilmember District 7
Council President Marqueece Harris-Dawson, Councilmember District 8
Curren D. Price, Jr., Councilmember District 9
Heather Hutt, Councilmember District 10
Traci Park, Councilmember District 11
John Lee, Councilmember District 12
Hugo Soto-Martínez, Councilmember District 13
Ysabel J. Jurado, Councilmember District 14
Tim McOsker, Councilmember District 15

MAIN OFFICE

464 LUCAS AVE., SUITE 201
LOS ANGELES, CA 90017
213.481.8530

FAX 213.481.0352

GARDEN GROVE OFFICE

13252 GARDEN GROVE BLVD., SUITE 200
GARDEN GROVE, CA 92843
714.750.4373

FAX 714.750.5638

AIRPORT OFFICE

4634 W. IMPERIAL HWY.
INGLEWOOD, CA 90304
310.671.0720

FAX 310.671.5021

PHOENIX OFFICE

1021 S 7th Ave.
PHOENIX, AZ 85007
480.795.5330

FAX 480.795.5326