



CITY OF LOS ANGELES DEPARTMENT OF CONVENTION & TOURISM DEVELOPMENT

POST COVID-19 RECOVERY PRIORITIES: TOURISM & HOSPITALITY A SERIES OF RECOMMENDATIONS FOR RESTAURANTS

RECOVERY ROUNDTABLES

The City of Los Angeles Department of Convention & Tourism Development (CTD), after completing the Los Angeles Tourism Master Plan (in March 2020), convened a group of stakeholders together to shift the conversation from medium and long-term strategic planning to more immediate, short-term recovery from the novel Coronavirus (COVID-19) pandemic. Three roundtables were conducted over Zoom, focusing on restaurants and attractions which, while the hardest hit, are believed to be at the forefront of restarting an important segment of the local economy as Safer-at-Home orders are relaxed and people start to venture out again. These roundtables brought together 24 local public and private sector leaders representing restaurants, museums, arts, science and cultural centers.

All participants care deeply about their community, being generous with their charity, investing in their workers and committing to sustainable tourism.

The focus of the discussions was three-fold:

1. To discuss and identify the challenges posed by re-opening,
2. To brainstorm policy initiatives and best practices that will ensure survival of Los Angeles' tourism industry through the COVID-19 pandemic, and
3. To position Los Angeles' tourism industry for the expected economic recovery as restrictions related to the COVID-19 pandemic are relaxed, guided by a realistic 18-month survival and recovery strategy.

**TOURISM BUSINESS WILL BE EXTREMELY CURTAILED
FOR 18 MONTHS UNTIL FALL 2021**

Although the work of CTD with these discussions feeds into the larger City, County, and State economic context, our goals are very local: to ensure our world-renown restaurants, museums and attractions, which significantly impact tourism's value to Los Angeles' economy, are considered in government strategies and achieve real benefits from their vital supports. While there are multiple task forces assembled at the County and State level, these local discussions have an essential role in informing the roadmap to re-opening Los Angeles' economy. Its work and recommendations are especially vital within the context of the broader Los Angeles recovery plan, whereby (i) many segments of the industry's customers will continue to be prevented from visiting and (ii) crucial, foundational meetings and convention business remains prohibited. Tourism was the first, and hardest hit, industry impacted by COVID-19 and will be last to fully recover following the pandemic, enduring the most prolonged and acute economic adversity compared to other sectors.

RESTAURANT ROUNDTABLE PARTICIPANTS *(in alphabetical order)*

JAMES BROWN San Pedro Brewing Company

EMIL EYVAZOFF 71 Above, Elevate Lounge

SUSAN FENIGER Border Grill

AMY KNOLL FRASER Redbird, Vibiana

NEAL FRASER Redbird, Vibiana

DOANE LIU Los Angeles Department of Convention & Tourism Development

BRICIA LOPEZ Guelagueta

PATTI MACJENNET Los Angeles Tourism & Convention Board

KIM NAKASHIMA Los Angeles Department of Convention & Tourism Development

ERIC ROSEN FUSE Corps - Los Angeles Department of Convention & Tourism Development

DINA SAMSON Rossoblu, Superfine Pizza

STACEY SUN Los Angeles Tourism & Convention Board, dineL.A.

WHY TOURISM MATTERS

Tourism is a vital contributor to Los Angeles' regional economy. Prior to the COVID-19 pandemic, leisure and hospitality was the fifth largest employment sector in Los Angeles, supporting over half a million jobs and driving over \$37 billion in total economic impact in just 2019. The City's General Fund received \$323 million in transient occupancy tax for the General Fund, and this was one of the fastest growing major sources of revenue for the City before travel restrictions related to COVID-19 were imposed.

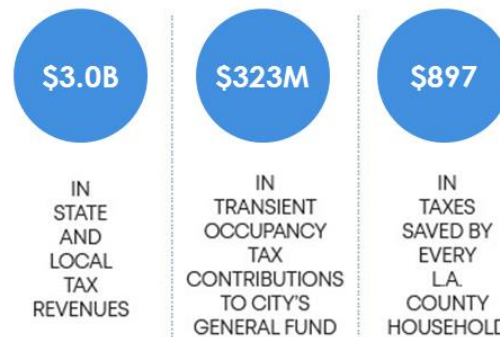
Leading Employer



Economic Driver



Tax & Revenue Producer



Tourism's benefits go beyond new spending in the economy. Tourism generates jobs at all skill and technical levels for people of all ages. It is also a major employer of young adults and people with disabilities, and an important 'gateway employer' for students seeking diverse work experience. Tourism employs more than one in every eight working Angelenos and supports livelihoods for local families. Tourism's contributions to the year-round quality of life enjoyed by Los Angeles' residents also strengthens the region's ability to attract and retain skilled workers for its technology, academic, government and health care sectors.

While the full impact of the pandemic on the local economy remains to be seen, preliminary data is available:

- The City's transient occupancy tax for the current fiscal year is estimated to be reduced by \$54 million.
- Visitation to Los Angeles County is projected to decrease by 22.4 million, or 43.8%.
- Direct spending generated by visitors is projected to decrease by 53.6%, or \$13.5 billion.
- Leisure and hospitality employment in Los Angeles County decreased by 40.5% in April 2020 compared to prior year, which is a loss of 221,000 jobs.

A CALL TO ACTION

Tourism is a significant contributor to Los Angeles' economy, a major employer of residents, and central to quality of life for its communities. The ongoing COVID-19 pandemic has severely reduced liquidity at a critical time when tourism businesses generate core annual revenue. With a safe, gradual recovery, the adverse impacts on tourism, including revenue losses, capacity constraints and new additional costs, will persist throughout the remainder of 2020 and into much of 2021. The short-term and long-term survival of many tourism businesses, specifically restaurants and attractions, is at stake. Governments are requested to act now to support these businesses and the many workers and families they directly and indirectly support.

REQUESTS & RECOMMENDATIONS

The roundtables have identified four requests for the Mayor's Office, Los Angeles City Council and other relevant agencies to consider that are critical to support tourism businesses immediately and going forward:

- 1. Extending the Slow Streets program for usage by restaurants to expand seating capacity and provide alternative safe dining locations**
- 2. Support for COVID-19 safety-oriented and physical social-distancing measures that are not overly prescriptive, allowing businesses to design their own protocols to adhere to the guidelines**
- 3. Interest-free loans, grants, subsidies or similar financial supports**
- 4. Provide guidance on vendors, products needed to ensure safe re-opening**
- 5. Inform the sector on best practices, tools, and requirements for contact tracing**

DETAILS OF THE REQUESTS & RECOMMENDATIONS

- 1. Extending the Slow Streets program for usage by restaurants to expand seating capacity and provide alternative safe dining locations**

When restaurants open again for dining-in service, customer safety and social distancing will be a major part of the re-opening guidelines. These measures will impact a restaurant's diner capacity and significantly impact its profitability and ability to recover. Extending the Slow Streets program to restaurant locations, either via closing streets or allow parking lots, parking spaces and sidewalks to be used to dining locations/activities, will expand a business' dining capacity and overall profitability.

These measures will require an expansion of the Slow Streets program but will also necessitate changes to parking restrictions (e.g. how many parking spots a location is required to have available for guests) to accommodate the shift of space from vehicle parking to table service stations.

2. Support for COVID-19 safety oriented and physical social-distancing measures that are not overly prescriptive, allowing businesses to design their own protocols to adhere to the guidelines

There was overwhelming support from the participants for establishing guidelines that govern safety protocols for re-opening that they be less prescriptive in nature. All restaurants are not the same and therefore "one size fits all" hard guidelines will hamper the ability of the business to efficiently and effectively re-open. Chefs and restaurant owners/operators are a creative group and are better-informed to design and implement individualized procedures that fit the nature of the published, and needed, State/County/City policy(ies).

This request specifically pertains to capacity limits. There was unanimous support that capacity not be called out in a guideline (e.g. 25% capacity limit or 50% capacity limit) but rather the identification on safety measures required (e.g. limits on table size, distance between tables/seats, etc.) which would allow restaurants to fit the protocols to their physical floorplan and space via different creative layouts. Some restaurants may be able to meet the safety protocols with a 25% capacity while other may be in the 30%s, 40%s, 50%s, etc.

3. Interest-free loans, grants, subsidies or similar financial supports

The restaurant sector was amongst the hardest hit areas of our local economy; resulting in mass unemployment and have endured a drastic reduction (if not elimination) of revenue. Re-opening is not as simple as hiring back staff, opening up the doors and allowing customers back in and instead will cost significant time and capital to plan for and adhere to new safety regulations. While some restaurants may have the financial fortitude to absorb these financial outlays, others in the restaurant ecosystem may not and it is recommended that there be some sort of financial support for these local, and important, businesses.

4. Provide guidance on vendors, products needed to ensure safe re-opening

Although official guidelines have yet to be published on the County and City-level on this topic, restauranteurs are already anticipating difficulties with procuring personal protective equipment (PPE) to ensure their employees' safety or retrofitting existing HVAC systems for improved air quality and cleanliness. Not only will there be increased competition to purchase such items, small businesses will struggle to absorb the additional administrative costs. Pre-vetted lists of vendors and equitable assistance with PPE procurement would greatly facilitate this aspect of re-opening.

5. Inform the sector on best practices, tools, and requirements for contact tracing

It will be critical for restaurateurs to understand what their role will be in contact tracing activities, as well as requirements for the management of customer data. Restaurants with online reservation systems have the functionality to include notes for a reservation which will allow them to add in more details for customers that dine in with them. The open questions though are:

- a. What data is required for individuals that dine in? (Name, phone number, email, etc.)
- b. How many customers require data to be kept? (Everyone that sits at the table or just the person who made the reservation)
- c. For how long must customer data be kept?

d. What are the responsibilities with regards to contact tracing that fall upon the establishment?

Providing clear guidance on what is required, how best to collect it, and how long to keep it for will allow each establishment to plan for and implement the required protocols at their location.