



FESIA A. DAVENPORT
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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"To Enrich Lives Through Effective And Caring Service"

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

31 September 15, 2021

CELIA ZAVALA
EXECUTIVE OFFICER

September 15, 2021

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF BOARD POLICY FOR LABOR PEACE AGREEMENTS (ALL DISTRICTS) (3 VOTES)

SUBJECT

Recommendation to approve a new Board of Supervisors (Board) Policy establishing Labor Peace Agreements as a requirement for new, amended, or renewals of leases, licenses, or concession agreements with hospitality operators at Los Angeles County-owned (County) or operated properties for the duration of these agreements. This policy also applies to subleases, sublicenses, assignments, or transfers.

IT IS RECOMMENDED THAT THE BOARD:

Approve the enclosed Board Policy for Labor Peace Agreements (Board Policy).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County has a proprietary and financial interest in County-owned and operated properties that generate revenue for the County. Therefore, it is in the interest of the County that these operations are not interrupted due to labor-management matters, and consequently, do not negatively impact County revenue.

A Labor Peace Agreement is a written agreement between an employer and a labor organization that contains a provision prohibiting a labor organization and its members from engaging in any picketing, work stoppage, boycott, or other economic interference with operations.

Requiring that lessees, licensees, concessionaires, or any other entity conducting hospitality operations at County-owned or operated properties, whether such entity contracts directly with the County or the County's lessee, licensee, or concessionaire, enter into Labor Peace Agreements with labor organizations representing employees in the hospitality industry ensures that labor organizations and their members do not engage in operational interferences that can adversely impact hospitality operations and the County's financial position.

FISCAL IMPACT/FINANCING

The implementation of this Board Policy provides the County with assurance that operations at County-owned and operated properties are not interrupted, thus preventing a potential reduction in County revenue.

However, it should be noted that while Labor Peace Agreements offer benefits to labor organization members and allows the County to protect its propriety and financial interests in revenue generating County-owned sites, Labor Peace Agreements may increase costs for hospitality operators. As a result, lessees, licensees, or concessionaires at these sites may seek to offset their additional operational costs by negotiating a reduced rent structure with the County. Hospitality operators may also be deterred from initiating or continuing lease, license, or concession agreements with the County. This may negatively impact County revenue generated by these County-owned properties.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 10, 2020, the Board directed the Chief Executive Officer, Department of Beaches and Harbors (DBH), and Department of Parks and Recreation (DPR) to recommend a County policy requiring a Labor Peace Agreement clause in, and as a material condition for entering into, new, amended, or renewals of leases, licenses, or concession agreements for County-owned or operated properties that generate revenue for the County.

In response to the Board's request, the Chief Executive Office, in collaboration with DBH, DPR, and County Counsel, has developed the enclosed Board Policy requiring Labor Peace Agreements for new, amended, or renewals of leases, licenses, or concession agreements with hospitality operators at County-owned or operated properties for the duration of these agreements. This requirement also applies to subleases, sublicenses, assignments, or transfers.

The County department responsible for executing new, amended, or renewals of lease, license, or concession agreements is required to ensure hospitality operators enter into a Labor Peace Agreement as a condition of the agreement, and to confirm that the Labor Peace Agreement is implemented on or before the commencement of hospitality operations at County-owned property sites for the new, amended, or renewed lease, license, or concession term. The responsible department shall ensure that all agreements require the County's Labor Peace Policy to be applicable to any subleases, sublicenses, assignments or transfers.

There may be specific instances in which a Labor Peace Agreement may not be required. These are detailed in the Exceptions section of the Board Policy.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this new Board Policy on Labor Peace Agreements will provide the County with assurance that hospitality operations at County-owned or operated properties that generate revenue for the County will not be interrupted. Labor Peace Agreements will allow the County to protect its propriety and financial interests at County-owned property sites, and potentially prevent a negative impact on County revenue.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fesia A. Davenport', written in a cursive style.

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:VBM

MJD:CZ:ns

Enclosures

- c: Executive Office, Board of Supervisors
- County Counsel
- Beaches and Harbors
- Parks and Recreation
- Audit Committee



Los Angeles County
BOARD OF SUPERVISORS POLICY MANUAL

Policy #:	Title:	Effective Date:
5.290	LABOR PEACE AGREEMENTS	09/15/21

PURPOSE

The County of Los Angeles has a proprietary and financial interest in County-owned and operated properties that generate revenue for the County. Therefore, it is in the interest of the County that these operations are not interrupted, and consequently, negatively impact County revenue.

This policy establishes Labor Peace Agreements as a requirement for new, amended, or renewals of leases, licenses, or concession agreements with hospitality operators at County-owned or operated properties for the duration of these agreements. This requirement also applies to subleases, sublicenses, assignments or transfers.

REFERENCE

March 10, 2020 Board Order No. 14

June 16, 2020 Chief Executive Office memo to the County Board of Supervisors, “Report Back on Labor Peace Policy Board Motion of March 10, 2020, Agenda Item No. 14”

December 9, 2020 Chief Executive Office memo to the County Board of Supervisors, “Labor Peace Policy Board Motion of March 10, 2020, Agenda Item No. 14”

POLICY

The County of Los Angeles requires that lessees, licensees, concessionaires, or any other entity conducting hospitality operations at County-owned or operated properties, enter into Labor Peace Agreements with labor organizations representing employees in this industry. This applies whether such entity contracts directly with the County or the County’s lessee, licensee, or concessionaire. Labor Peace Agreements will prohibit labor organizations and their members from engaging in picketing, work stoppages, boycotts, or other operational interferences that can adversely impact hospitality operations and the County’s financial position. Labor Peace Agreements allow the County to protect its financial interests at County-owned property sites.

This policy shall apply to all new, amended, or renewals of lease, license, or concession agreements with hospitality operators on County-owned or managed property, for the duration of the agreement, subject to the exceptions specified below.

The County department responsible for executing a new, amended, or renewals of lease, license or concession agreements is required to ensure the hospitality operators enter into a Labor Peace Agreement as a condition of the agreement. The responsible department shall also require that the Labor Peace Agreement be implemented on or before the commencement of hospitality operations at the County-owned property sites for the new, amended, or renewed lease, license or concession term. The responsible department shall include provisions in any such agreement making the failure to enter into or maintain a Labor Peace Agreement a material breach of the agreement, entitling the County to terminate the agreement for cause. The responsible department shall ensure that all agreements require the County's Labor Peace Policy to be applicable to any subleases, sublicenses, assignments or transfers.

Definitions

Hospitality/Food Service Concessionaires

Concessionaires operating hospitality services, food and beverage services, and banquet halls with food and beverage services on County-owned or managed property.

Hospitality Members

Labor organization members in the hospitality industry working at hotels, restaurants, or hospitality/food service concessions operating on County-owned or managed property.

Hospitality Operators

Hospitality operators include hotels, restaurants, or hospitality/food service concessionaires operating on County-owned or managed property.

Labor Peace Agreement

A Labor Peace Agreement is a written agreement between a hospitality operator and a labor organization that contains a provision prohibiting a labor organization and its members from engaging in any picketing, work stoppage, boycott, or other economic interference with the hospitality operations in which the County has a proprietary interest.

Exceptions

A Labor Peace Agreement is not required for new, amended, or renewals of lease/sublease, license/sublicense, or concession agreements if any of the following conditions apply:

- The County's annual revenue or projected annual revenue from the individual leased/subleased or licensed/sublicensed site does not exceed \$150,000.
- The hospitality operator has previously entered into a Labor Peace Agreement applying to the leased/subleased, licensed/sublicensed, or concession site and that agreement provides the County with equal protection from risks of labor-management conflict.
- The lease/sublease, license/sublicense, or concession agreement is for a short-term event or for an agreement term, including all permissible by right or discretionary extensions, that does not exceed a total of one (1) year.

- Any leases, licenses, and concession agreements amended by right of the concessionaire, licensee or lessee, and not subject to County discretion. Proposed transfers or assignments pursuant to existing County agreements which contain non-discretionary standards or criteria required for a proposed transferee or assignee shall not be considered subject to County discretion.
- Any instance in which the Board of Supervisors waives a Labor Peace Agreement requirement, at its discretion.

Limitations

This policy is not intended to, and shall not be interpreted to, enact or express any generally applicable policy regarding labor-management relations or to regulate those relations in any way.

Nothing in this policy requires hospitality operations lessees, licensees, or concessionaires to recognize a labor organization.

This policy is not intended to favor any particular outcome in the determination of employee preference regarding union representation.

Standard Language to Use in Lease, License, and Concession Agreements

In compliance with the *County's Labor Peace Agreements Policy (Policy)*, [Lessee/Licensee/Concessionaire] represents and warrants that it shall (a) ensure that there is an executed Labor Peace Agreement with any labor organization(s) representing or seeking to represent the employees of any Hospitality Operator(s) (any "Hospitality Operator(s)," as defined under the County's Policy, operating on County owned or County managed real property, and whether the Hospitality Operator(s) contracts directly with the County or the County's lessee, licensee, or concessionaire) at the premises covered by this agreement; (b) the [Lessee/Licensee/Concessionaire] or Hospitality Operator(s) shall have submitted to the County of Los Angeles a copy of evidence of such Labor Peace Agreement, executed by all parties; and (c) such Labor Peace Agreement shall prohibit labor organizations and their members from engaging in picketing, work stoppages, boycotts or other economic interference with the business of Hospitality Operator(s) at County-owned, operated, or managed sites for the duration of this agreement. [Lessee/Licensee/Concessionaire] acknowledges that it is a material term of this agreement that [Lessee/Licensee/Concessionaire] enter into or maintain a Labor Peace Agreement pursuant to the Policy throughout the duration of the term of this agreement, and that it would be impracticable and extremely difficult to fix the actual damages for a breach of this provision. It is therefore agreed that if, for any reason whatsoever, [Lessee/Licensee/Concessionaire] fails to enter into or maintain a Labor Peace Agreement pursuant to the Policy throughout the duration of the term of this agreement, then County may terminate this agreement for default by giving written notice of such termination to [Lessee/Licensee/Concessionaire], which notice shall be effective thirty (30) days thereafter.

RESPONSIBLE DEPARTMENT

Chief Executive Office
 County Counsel
 Beaches and Harbors
 Parks and Recreation

DATE ISSUED/SUNSET DATE

Issue Date: 2021

Sunset Date: 2026