

February 10, 2021

To:
Coachella City Council
Mayor Steven Hernandez
Mayor Pro Tem Josie Gonzalez
Council Member Megan Beaman Jacinto
Council Member Denise Delgado
Council Member Neftali Galarza
53990 Enterprise Way
Coachella, CA 92236

From:
Greater Coachella Valley Chamber of
Commerce
Coachella Chamber of Commerce
1515 6TH ST.
Coachella, CA 92236
(760) 347-0676

Re: Urgency Ordinance No. 1174, and Ordinance No. 1175, "Hero Pay" for Front-Line Agricultural, Grocery, Restaurant, and Retail Pharmacy Workers

(POSITION: NUETRAL)

Mayor Hernandez and Council Members,

We thank you for the opportunity to write and address Council on Urgency Ordinance No. 1174, and Ordinance No. 1175, "Hero Pay". At this time the Chamber is taking a position of Neutral due to insufficient information and data. While we have reservations about the financial implications of this proposal, we want to examine it and give it the attention it requires, as the motivation for the ordinance is certainly coming from a good place. Our hope is that the City Council will do its due diligence in researching, studying, and consulting with local labor, business and community partners. Good policy comes from good process, we trust that will be the case here.

Specifically, we encourage the City Council to take the following actions before considering intervention into a process that is traditionally left to private labor/business negotiations.

- A) Conduct an economic impact study to understand exactly how such a pay intervention would affect the local economy, what added burdens and competitive disadvantages it places on local private industry, and the degree to which it will help targeted employee groups. This is a very basic and reasonable request as impact analysis are commonly developed in conjunction with proposed legislation or regulatory changes, in order to fully understand the impact of government action on the economy. Such a study is particularly important when dealing with local jurisdictions whose economic bases can have vast differences. Such a study would also allow the City time to have critical conversations with key local stakeholders and partners who would be impacted by this policy.
- B) Study and present a reasonable justification for who would be eligible under this action. As you are aware, many workers across many industries have diligently worked through trying conditions over the course of our current state of emergency. All such workers, and their employers, deserve such an accounting to better understand why they are personally being included or excluded from targeted action.
- C) Last, a little extra time could also allow all parties, including the City, to better understand the legality of the action and potential for significant litigation resulting from it. We already know the California Grocers Association is suing the Cities of Oakland, Montebello and Long Beach over 'hero pay' ordinances. These court cases will begin adjudication as early as February 19th

(Long Beach Case). Allowing some time to at least see how these case arguments are received and addressed by our court system could potentially save the City of Coachella and its taxpayers significant litigation cost.

We applaud the City of Coachella for its desire to recognize and reward members of the community that have worked so hard to keep critical elements of our local and regional economy moving these past months. But we also encourage you to be sure the process you use to accomplish it is sound, rooted in facts, and is conducted through a collaborative process that allows this chamber and all involved to give feedback and play a role in the decision-making process.

With regards,



Joshua R. Bonner
President and CEO, Greater Coachella Valley Chamber of Commerce
President, Coachella Chamber of Commerce