

## Yucaipa Cos moves into the hospitality industry, refuses to enter into labor peace agreements in unionized markets

In the past few years, Los Angeles-based private equity manager Yucaipa Cos had moved into the hospitality industry in a big way, funding construction or renovation of thirteen hotels in cities such as Chicago, Los Angeles, Washington DC, New York City, Miami, and Scottsdale, Arizona.

In doing so, Yucaipa and its partners have largely opened hotels without labor peace agreements that would ensure the investments are protected from disruptions such as strikes and boycotts and related headline risk. For example:

- In Washington, DC, Yucaipa and its partner Sydell have refused to adopt a labor peace agreement for **The Line Hotel DC** project.
- In Los Angeles, the company has not yet agreed to labor peace for two proposed Downtown hotels moving through the planning process.

Yucaipa's current/proposed hotel portfolio:

Property	City	State	Year opened	Union/ Labor Peace?
Freehand Los Angeles	Los Angeles	CA	In development	N
NoMad Los Angeles	Los Angeles	CA	In development	N
Soho House LA Arts District	Los Angeles	CA	In development	N
The Line DC	Washington	DC	In development	N
The Line Austin	Austin	TX	In development	N
Soho House Malibu	Malibu	CA	2016	N
Soho Ludlow House	New York	NY	2016	N
Freehand Chicago	Chicago	IL	2015	N
Soho House Chicago	Chicago	IL	2014	N
The Line Los Angeles	Los Angeles	CA	2014	Y
Freehand Miami	Miami Beach	FL	2012	N
NoMad NYC	New York	NY	2012	N
Saguaro Palm Springs	Palm Springs	CA	2012	N
Soho House Miami Beach	Miami Beach	FL	2012	N
Soho House New York	New York	NY	2012	N
Soho House Toronto	Toronto	Ontario	2012	N
Saguaro Scottsdale	Scottsdale	AZ	2011	N
Soho House West Hollywood	West Hollywood	CA	2010	N

Given that most of Yucaipa's hotel projects are located in some of the most unionized hotel markets, it is surprising that Yucaipa has thus far declined to take steps to minimize labor disputes and related headline risk.