



## ANJAC FASHION BUILDINGS

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November 1, 2012

The Honorable Herb Wesson  
President, Los Angeles City Council  
200 N Spring Street, Room 430  
Los Angeles, CA 90012

RE: Proposed Exclusive Waste Franchise (Council File 10-1797)

Dear Council President Wesson,

Anjac Fashion Buildings, et al. is writing to voice our serious concerns about the city's proposal to create an exclusive franchise for multifamily and commercial waste hauling services in Los Angeles.

As a commercial property investor serving Los Angeles and the San Fernando Valley, I or my tenant and I rely on access to a competitive market that allows us to select the hauler that best serves our needs, offers the best rates and will work with us. Unfortunately, if the city pursues this misguided policy, we will no longer have a choice in selecting our hauler, our rates will go up and our business and tenants will suffer economic hardship.

Moving to an exclusive franchise will put Los Angeles-area businesses at a significant competitive disadvantage to businesses in other cities. Commercial and multifamily property owners are looking at more than 33 percent higher rates under an exclusive franchise. That means a higher cost of doing business and subsequent increases in our tenant's rent who are already struggling in today's economy.

Currently, there are about 140 waste haulers doing business in Los Angeles. These companies have helped create good paying jobs and provide vitally needed services to local businesses, and have been a part of our community for many years. Under an exclusive franchise, the majority of these companies would be forced to close their doors and eliminate many vitally needed jobs.

Fortunately, there is a better policy—a non-exclusive franchise. A non-exclusive franchise allows the city to accomplish all of its goals—clean fleet standards, more recycling and workplace safety without killing local jobs and the City finding another way to make it harder to do business in Los Angeles. A non-exclusive franchise is a win-win for the city, our environment and our economy—that's why Los Angeles County adopted a non-exclusive agreement.

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Under a non-exclusive franchise, the city could begin collecting franchise fees as early as 2013. Because an exclusive franchise requires a five-year delay before the collection of franchise fees can begin, a non-exclusive franchise means nearly \$120 million in revenue for the city that would go completely unrealized under an exclusive franchise.

Our Company experienced an exclusive franchise agreement in South Gate and Agoura Hills. We were forced to use Waste Management/G.I. Industries in both cities at three of our commercial properties. Not only did our rates increase by 35% over a four year period, our communications with the new hauler and the service we received were substantially diminished. We spoke to each respective city and voiced our concerns and complaints which fell on deaf ears as there was no incentive to change things.

The City Council needs to act responsibly and take the time to study alternatives, instead of going down this costly exclusive franchise road. **We ask the Council to direct staff to conduct a full economic and environmental study on the impacts of this plan before taking any action.** City leaders need to know how much an exclusive franchise system will cost Angelenos and local businesses before it saddles them with this additional burden.

Continuing to act without information is only going to kill jobs, cost residents and businesses and complicate trash collection citywide. We urge the city to take the time, do the study and learn about alternatives before it adopts this ill-fated and harmful exclusive franchise policy.

Thank you for your consideration.

Sincerely,



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Steve Needleman, CEO  
Anjac Fashion Buildings/The Orpheum Theatre/CAST Real Estate Holdings/Kids From The Valley

cc: Mayor Antonio Villaraigosa  
Councilmember Jose Huizar

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