



MAS ASSET MANAGEMENT CORPORATION

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November 6, 2012

Councilmember Jose Juizar,
Los Angeles City Council
200 N Spring Street, Room 465
Los Angeles, CA 90012

RE: Proposed Solid Waste Franchise

Dear Councilmember Juizar,

On behalf of the Downtown Properties Holdings LLC, the Ownership of three office and retail buildings in downtown Los Angeles, we are writing to voice our serious concerns about the city's proposal to create an exclusive franchise waste hauling services in Los Angeles. We strongly oppose it as it takes away our choice of haulers and increase cost to tenants. However, **we are in support of a non-exclusive waste franchise system**. Research shows that in a non-exclusive franchise system, business owners, rental housing providers, associations and universities, achieve greater benefits than in an exclusive waste franchise system.

As a commercial real estate company serving Los Angeles, our buildings with our retail tenants such as Wokcano and soon to operate Bunker Hill Bar & Grill restaurant rely on access to a competitive market that allows selection of 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 properties and tenants will suffer.

During the last two years we were able to save approximately \$30,000 in waste hauling fees per year in all our three buildings in downtown Los Angeles because of the ability to renegotiate the costs and terms of contracts as well as flexibility of trash companies to service our compactor in a location that requires a fork lift. As the owner wanted to save cost at one of their properties in San Francisco area she was not able to do this due to the exclusive franchise hauler not being able to offer a fork lift pick up to access the garage where the trash compactor could be placed. This is an example of inflexibility of trash companies who are on an exclusive franchise system.

Though both a non-exclusive and exclusive franchise system would provide the city of Los Angeles with the opportunity to exert more control and generate more revenue, a non-exclusive system could be implemented by the end of 2012. An exclusive franchise could not be implemented until 2016. Millions of dollars in much needed revenue for the City of Los Angeles could begin being generated as early as January 1, 2013.

Under a non-exclusive franchise system the City would receive all of the same advantages of an exclusive system but with the benefits of lower implementation costs and the chance to gather general fund revenue five years sooner. The City of Los Angeles does not need to invent an outdated system with a huge, new bureaucracy to oversee it when our neighbors, including Los Angeles County, Long Beach and Pasadena have successful franchise systems already in place?

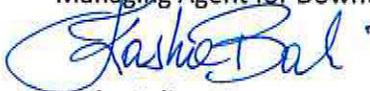
Additionally, a non-exclusive franchise system will allow the City to implement greater recycling and reporting requirements, clean fleet standards, work place safety oversight and tracking of hauling operations. At the same time, the non-exclusive franchise method allows small haulers to compete for business and consumers to negotiate for the best rates.

The franchise of the City's waste hauling services will have wide impacts throughout our city. Please consider all the implications when franchising waste in Los Angeles.

Thank you for your consideration.

Sincerely,

MAS Asset Management Corporation
Managing Agent for Downtown Properties Holdings LLC



Kasha Bali
Director of Property Management

Cc Willy Ma – President
Eric Bender – E.V.P.