



BizFed's Member Alliance

Action Apartment Association
AIA - Los Angeles
Airlines for America
Alhambra Chamber
American Beverage Association
American Hotel & Lodging Association
Antelope Valley Board of Trade
Angeles Emeralds
Apartment Association, California Southern Cities
Apartment Association of Greater Los Angeles
Arcadia Association of Realtors
Asian Business Association
Association of Independent Commercial Producers
Azusa Chamber
Beverly Hills Chamber
Beverly Hills / Greater LA Association of Realtors
BNI4SUCCESS
Burbank Association of Realtors
Building Industry Association, LA / Ventura Counties
Building Owners & Managers Association, Greater LA
Business & Industry Council for Emergency Planning & Preparedness
CalAsian Chamber
California Apartment Association, Los Angeles
California Asphalt Pavement Association
California Business Roundtable
California Cannabis Industry Association
California Construction Industry and Materials Association
California Contract Cities Association
California Employers Association
California Fashion Association
California Grocers Association
California Hotel & Lodging Association
California Independent Oil Marketers
California Independent Petroleum Association
California Life Sciences Association
California Metals Coalition
California Restaurant Association
California Small Business Alliance
California Sportfishing League
California Trucking Association
CALInnovates
Carson Chamber of Commerce
Carson Dominguez Employers Alliance
CDC Small Business Finance
Central City Association
Century City Chamber of Commerce
Cerritos Chamber
Citrus Valley Association of Realtors
Construction Industry Air and Water Quality Coalitions
Consumer Healthcare Products Association
Council on Trade and Investment for Filipino Americans
Downey Association of Realtors
Downtown Long Beach Alliance
Downtown Pomona Owners Association
El Monte/South El Monte Chamber
Employers Group
Engineering Contractor's Association
F.A.S.T.-Fixing Angelenos Stuck In Traffic
FilmLA
Foreign Trade Association
FuturePorts
Gateway to LA
Glendale Association of Realtors
Glendale Chamber
Glendora Chamber
Greater Antelope Valley AOR
Greater Lakewood Chamber
Greater Los Angeles African American Chamber
Greater Los Angeles New Car Dealers Association
Harbor Association of Industry and Commerce
Harbor Trucking Association
Historic Core Bid
Hollywood Chamber
Hong Kong Trade Development Council
Hospital Association of Southern California
Hotel Association of Los Angeles
Independent Cities Association
Industry Manufacturers Council
International Warehouse Logistics Association
Investing in Place
Irwindale Chamber
Japan Business Association of Southern California
La Canada Flintridge Chamber
LAX Coastal Area Chamber
League of California Cities
Local Search Association
Long Beach Area Chamber
Los Angeles Area Chamber

October 3, 2018

City Councilmember Bob Blumenfield
Chair of Public Works and Gang Reduction Committee
Los Angeles City Hall
200 North Main Street
Los Angeles, CA 90012

RE: Street Damage Restoration Fee (OPPOSE)

To the Honorable Bob Blumenfield,

On behalf of BizFed, a grassroots alliance of more than 170 business organizations that represent 390,000 employers with over 3.5 million employees in LA County. We are writing to oppose the Street Damage Restoration Fee (SDRF) as currently prepared. The LA City Board of Public Works and Council Public Works and Gang Reduction Committee approved significant changes to the amount and application of the SDRF that will have detrimental impacts to the business community with no public input or outreach of anykind. We believe that a task force be convened to address the impacts of this increase in relation to the adjustments done last year with the Trenching fee.

In our most recent BizFed Pulse Poll, nearly 81% of business leaders said **taxes and fees** are the number one reason businesses are leaving the area. A potential increase of up to 1000% in fees to provide a dense growing city the very infrastructure modernization and upgrades needed to support the demands of our population is a bad sign to employers in the region who are looking to stay or new employers looking to invest in Los Angeles.

We understand the need for the City to recoup the cost of street damages caused by excavations. However, several of the proposed changes are duplicative, unnecessarily impose costs on businesses, developers and residential property owners with licensing and leased easements without enhancing the integrity of our streets.

We are open and willing to work with Bureau of Street Services (BSS) and the City Council to identify what those reasonable policy changes are and we suggest that a task force be convened to work with the various stakeholders, like that was done with the updated trenching policy done last year.

While we are still reviewing the Study and supporting documents in more detail, we are strongly supportive of the following changes to the current proposal:

- Leave Age Exemption in Place: We ask that the SDRF exemption for streets past their useful life remain in place. Companies should not have to pay a fee for excavating streets that have a useful life of zero years. The fee should continue to be commensurate with the age and condition of the street.

Los Angeles Cleantech Incubator
 Los Angeles County Bicycle Coalition
 Los Angeles County Boards of Real Estate
 Los Angeles County Waste Management Association
 Los Angeles Gateway Chamber of Commerce
 Los Angeles Gay & Lesbian Chamber of Commerce
 Los Angeles Latino Chamber
 Los Angeles Parking Association
 Maple Business Council
 Motion Picture Association of America
 MoveLA
 NAIFA - OC
 NAIOP Southern California Chapter
 National Association of Royalty Owners
 National Association of Tobacco Outlets
 National Association of Women Business Owners
 National Association of Women Business Owners, LA
 National Hispanic Medical Association
 National Latina Business Women's Association
 Nederlands-America Foundation
 Orange County Business Council
 Pacific Merchant Shipping Association
 Pacific Palisades Chamber
 Panorama City Chamber
 Paramount Chamber of Commerce
 Pasadena Chamber
 Pasadena-Foothills Association of Realtors
 PhRMA
 Planned Parenthood Southern California Affiliates
 Pomona Chamber
 Rancho Southeast Association of Realtors
 Recording Industry Association of America
 Regional Black Chamber - San Fernando Valley
 Regional San Gabriel Valley Chamber
 Rosemead Chamber
 San Gabriel Chamber
 San Gabriel Valley Civic Alliance
 San Gabriel Valley Economic Partnership
 Santa Clarita Valley Chamber
 Santa Clarita Valley Economic Development Corp.
 San Pedro Peninsula Chamber
 Santa Monica Chamber
 Santa Monica Junior Chamber
 Sherman Oaks Chamber of Commerce
 South Bay Association of Chambers
 South Bay Association of Realtors
 Southern California Contractors Association
 Southern California Golf Association
 Southern California Grantmakers
 Southern California Minority Supplier Development Council Inc.
 Southern California Water Coalition
 Southland Regional Association of Realtors
 The Young Professionals at the Petroleum Club
 Torrance Area Chamber
 Town Hall Los Angeles
 Tri-Counties Association of Realtors
 United Chambers San Fernando Valley
 United States-Mexico Chamber
 Unmanned Autonomous Vehicle Systems Association
 US Resiliency Council
 Valley Economic Alliance
 Valley Economic Development Corp.
 Valley Industry & Commerce Association
 Vernon Chamber
 Vietnamese American Chamber
 Warner Center Association
 West Hollywood Chamber
 West Los Angeles Chamber
 West San Gabriel Valley Association of Realtors
 West Valley/Warner Center Chamber
 Western Manufactured Housing Association
 Western States Petroleum Association
 Westside Council of Chambers
 Westwood Village Rotary Club
 Wilmington Chamber
 World Trade Center
 Young Professionals in Energy - LA Chapter

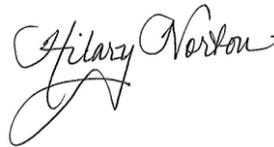
- Remove Concrete Streets Provision: BSS does not have the jurisdiction to set conditions for street excavations. That jurisdiction should be under the purview of Bureau of Engineering which issues utility permits. Council should remove the provision from the proposal that would require full slab replacement for excavations in concrete streets and instead instruct BOE to develop a standard for concrete street excavations similar to Asphalt Streets (S-477).

- Remove Width of Influence: Remove the width of influence provision that expands the applicability of the SDRF to 5ft in each direction of an excavation. BSS did not factor in BOE's S-477 into its study. S-477 requires a higher standard of backfill material and T-cuts in order to prevent future failures. S-477 will also require larger surface areas to be repaved. Therefore, applying SDRF to the width of influence would be duplicative based on the new Standard. SDRF should continue to be applied to the excavation area only.

- Phase In: As proposed, BSS is proposing to increase SDRF approximately 1,300% in two months. Much of the cost increases will be passed through to new businesses and homeowners. Phasing in the fee over multiple years would allow industry to rate base costs and inform customers about pending cost increases so they can factor those costs into their projects.

We believe there can be a way to more equitably update the current SDRF without duplicating costs for industry. The approval process so far has not allowed for this collaborative approach.

Sincerely,



Hilary Norton
 BizFed Chair
 Fixing Angelenos
 Stuck in Traffic
 (FAST)



David Fleming
 BizFed Founding Chair



Tracy Hernandez
 BizFed Founding CEO
 IMPOWER, Inc.

CC: Public Works and Gang Reduction Committee
 Councilmember Joe Buscaino
 Councilmember Nury Martinez
 Councilmember David Ryu
 Councilmember Monica Rodriguez