



December 3, 2010

Los Angeles City Council
Planning and Land Use Management Committee
200 N. Spring Street
Los Angeles, CA 90012

RE: Case No. CPC-2010-2278-GPA

Dear Committee Members,

On behalf of the International Franchise Association (IFA), I am writing to express opposition to the proposed "Fast Food Establishment Footnote" before the Planning and Land Use Management Committee. Enacting this footnote would arbitrarily and unfairly prohibit the ability of certain franchised small business owners to offer their goods and services.

The IFA's mission is to safeguard the business environment for franchising worldwide. The association represents businesses in more than 85 industries, including more than 11,000 franchisee, 1,100 franchisor and 500 supplier members nationwide. According to a 2008 study conducted by PricewaterhouseCoopers, there are more than 900,000 franchised establishments in the U.S. that are responsible for creating 21 million American jobs and generating \$2.3 trillion in economic output. In California alone, there are more than 97,000 franchised businesses, employing over 1.1 million workers. This activity contributes \$105 billion annually to the state's economy.

Quick service restaurants are often franchised businesses that combine local small business investors with a known national brand to create an expectation of quality, consistency and value to consumers. franchise's success depends on the franchisee's own capital, hard work and long hours. Like any other entrepreneur in Los Angeles, a franchise operating there would pay taxes, be involved in supporting community activities and create economic opportunities for employees and suppliers who would directly benefit from the existence of the enterprise.

The proposed restrictions on building and remodeling of quick service restaurants would impact an area equal to 20% of the city. The proposed restrictions would require permit applicants to get a General Plan Amendment in order to proceed with a new building or remodeling project. The proposed process would subject these small business owners to significant costs arising from application filings, numerous public hearings, Mayoral approval, and environmental review—with no guarantee of approval.

In today's challenging economic environment, there is no doubt that the proposed restriction would have an adverse affect on the value of existing restaurants in the affected area as well as the ability of business owners to open new locations and hire additional employees. Once enacted, these new restrictions would set a troubling precedent that could spread to other areas of Los Angeles and the State of California.

Therefore, the IFA respectfully urges members of the Committee to reject the proposed "Fast Food Establishment Footnote." Such drastic steps not only harm your community by weakening its economy, but they are contrary to the spirit of American entrepreneurship and fairness.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink that reads "David French".

David French
Senior Vice President,
Government Relations & Public Policy