

LAEDC Brings 3rd-Generation Family Business, DWP Together

A retention project in Central L.A. helps LAEDC reach the milestone of 200,000 jobs retained or created

Business: Republic Master Chefs

Industry cluster: Linen/textile rental for hotel and restaurant industry

Location: Los Angeles County, City of Los Angeles

LAEDC's assistance: Helped negotiated an understanding with the L.A. Department of Power that reduced the cost of doing business and retained 285 jobs

Outcome: The 83-year-old family-owned business remains in the city where it started three generations ago.



Republic Master Chefs is a family-owned business that has rented linens, towels, sheets and uniforms to hotels and restaurants in the Los Angeles area for 83 years.

For the last 23 years, one of its two facilities has operated out of what owner Brad Shames, the third generation of his family to work in the business, cheerfully calls a “maze” of six buildings a couple of miles southwest of downtown Los Angeles.

“Some of those buildings have been around since 1920,” Shames said, which means some of the mechanical systems in the buildings are nearly 100 years old.

So maybe it shouldn't have been a surprise when, one day in mid-2013, the company ran into problems with its electrical supply, vital to an operation that runs two shifts a day, five or six days a week, cleaning, pressing and processing tons of sheets, towels, napkins and uniforms.

Republic Master Chefs employees called the L.A. Department of Water & Power (DWP) for an emergency repair.

“They got us up and running,” Shames said, “but it opened a real can of worms.”

DWP inspectors looked at the company’s somewhat antiquated electrical infrastructure and discovered it wasn’t exactly compatible with its own system, which had been upgraded after two new schools were built in the area.

As DWP officials evaluated the challenge, it appeared that Republic Master Chefs might not only be responsible for making changes to its own electrical infrastructure, the company might have to pay for new utility poles that would connect the facility to the DWP system – at a total cost of around \$500,000.

“I was basically told this was the only way it’s going to happen,” Shames said.

Shames began considering whether it might be more cost-efficient to move his entire operation – and its 285 employees – somewhere outside of Los Angeles County.

At that point, LAEDC and regional manager Nancy Jordan stepped in. After assessing the challenges the company was facing, her first goal was to reduce tensions that had arisen between DWP and the company. Next, Jordan set up a series of meetings between the two parties and invited representatives from the City of Los Angeles Mayor’s Office.

“Nancy got us in front of the right people at DWP,” Shames said.

A final resolution to the problem is still to come, he said, but its parameters have been established. The bottom line is that Republic Master Chefs will not have to pay \$500,000 to make electrical infrastructure repairs to stay open – and the 83-year-old company founded by Shames’ grandfather will not have to move out of central Los Angeles.

“I’m satisfied because I’m not going to have to spend half a million dollars,” Shames said.

Company officials and DWP engineers are still talking about what the next steps will be. Shames knows he will have to pay something to keep his business where it is, but he has confidence that help he has received from the Mayor's office, DWP and the LAEDC, will help the cost be a manageable figure.

“LAEDC definitely had a very big effect on what’s happened,” he said. “Nancy did a fantastic job.”