Los Angeles City Ethics Commission
Second Quarter 2003 Lobbying Report

This report is one in a continuing series of reports issued by the City Ethics Commission on lobbying activities in the City of Los Angeles. The summary information below was compiled from quarterly reports filed with the Ethics Commission. Please note that expenditures and payments disclosed by lobbyists (client compensation fees, activity expenses, political contributions, and payments from City agencies, City officeholders, candidates and ballot measure committees) are rounded to the nearest whole dollar. Additional information regarding this report, documents filed with the Commission, or the Municipal Lobbying Ordinance may be obtained from the Commission at (213) 978-1960 or from our website (http://ethics.lacity.org).

TOP TEN PROJECTS/ISSUES

Lobbying reports indicate that the ten projects or issues that clients paid the most fees for during the second quarter of 2003 for municipal lobbying activities were:

1. Harbor Animal Shelter Services Center Project   $181,550
2. Proposed Sale of Los Angeles Export Terminal (LAXT) 177,511
3. Wilshire Malcolm Development Project 157,407
4. Playa Vista Development Project 110,527
5. Los Angeles International Airport (LAX) Modernization Project 108,501
6. Midtown Plaza Redevelopment Project 93,597
7. LAX Gift and News Concession Expansion Project 72,671
8. 2000 Avenue of the Stars Redevelopment Project 63,486
9. Thornton Lofts Development Project 56,155
10. Furama Hotel Redevelopment Project 54,572

The fees reported by each lobbying firm for the top ten projects/issues appear below.

Project/Issue: HARBOR ANIMAL SERVICES CENTER PROJECT

Background: The Department of Animal Services has proposed a new Harbor Animal Services Center to be located at Gaffey Street and Miraflores Avenue in San Pedro, in Council District Fifteen. The new facility will replace the existing overcrowded Animal Services Center on Battery Street. The new facility proposes indoor areas comprising approximately 25,000 square feet, 15,000 square feet of kennel areas and improvements, including 40,000 square feet of parking, for the 1.74-acre site. Projected cost of the project is $7.9 million.

According to the Department of Public Works, Bureau of Engineering officials, the City Council approved the Environmental Impact Report prepared for the project on April 2, 2003. Also in April, the City closed
escrow on two parcels of property purchased from Y & S Enterprises for approximately $3.7 million that will house the center. Bureau of Engineering staff is currently at work on the design of the center and report that construction should commence in mid-2004. (CF 02-2697)

Client: Y and S Enterprises
Client Payments on Project/Issue: $181,550
    C.S. Davis Company, Inc. $181,550

Project/Issue: PROPOSED SALE OF LOS ANGELES EXPORT TERMINAL (LAXT)

Background: In December 1997, the Los Angeles Export Terminal (LAXT), a coal and petroleum coke export facility, commenced operations at the Port of Los Angeles in Council District Fifteen. The state-of-the-art facility opened as a joint venture between private entities in the United States, Japan, and the City of Los Angeles. Under the agreement, the City maintained a thirteen percent ownership interest and the Port served as landlord for the facility. According to Harbor Department officials, competition from Asian and Australian mines drove down the price of coal to a level at which the LAXT could not compete in the market and the facility could not meet its minimum annual guarantee (MAG) owed the Port.

In October 2002, the LAXT’s corporate board approved the sale of the terminal to Oxbow Carbon and Minerals, an LAXT shareholder. Metropolitan Stevedore, which operates a petroleum export facility in Long Beach, opposed the sale. In December 2002, Metropolitan Stevedore filed a lawsuit alleging that LAXT’s board violated public meeting laws when it approved the sale.

The Board of Harbor Commissioners was scheduled to consider the fate of LAXT in early 2003. However, in April 2003, the City Attorney ruled that because a law firm in which a Harbor Commissioner is a partner represents LAXT, a conflict of interest exists and the Commissioner could not act on the matter. The City Attorney further ruled that the entire Board was disqualified from acting. Pursuant to the City Charter, the matter was transferred to the City’s Board of Referred Powers.

In May 2003, Port officials and the LAXT negotiated a Fifth Amendment to the existing lease agreement that would enable LAXT to delete 81 acres from its coal operations and return them to the Port for development. Under the proposed amendment, Oxbow Carbon and Minerals would retain the remaining 36.06 acres for the operation of a
petroleum coke facility for twelve and half years. Oxbow further agreed to satisfy the approximate $12 million MAG shortfall plus interest owed by LAXT to the Port.

On June 10, 2003, the Board of Referred Powers—acting in lieu of the Board of Harbor Commissioners—considered the Fifth Amendment application and recommended its approval to the City Council. One week later, on June 17th, the City Council unanimously voted against the Amendment application. On June 25th, the Council approved a motion to refer all matters related to the LAXT normally considered by the Board of Harbor Commissioners to the Board of Referred Powers. The Council also directed the City Attorney and Port officials to report back to the Board of Referred Powers on all scenarios and contractual obligations regarding LAXT and to detail other options for the facility. (CF 03-1243, Permit No. 688)

Total Payments on Project/Issue: $ 177,511

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<thead>
<tr>
<th>Client: Metropolitan Stevedore</th>
<th>Client Payments on Project/Issue to:</th>
<th>$ 120,683</th>
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<td>Svorinich &amp; Associates</td>
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<tr>
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<tr>
<td></td>
<td>Ramirez &amp; Company</td>
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<td></td>
<td>Rose &amp; Kindel</td>
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<th>Client: Oxbow Carbon &amp; Minerals, Inc.</th>
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<td></td>
<td>Arnie Berghoff &amp; Associates.</td>
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<tr>
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<td>Cerrell &amp; Associates</td>
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*Payments disclosed represent a portion of the $120,683 payment from Metropolitan Stevedore to Svorinich & Associates.
Project/Issue: WILSHIRE MALCOLM DEVELOPMENT PROJECT

Background: Weintraub Financial Services/Americana Glendale has proposed “Wilshire Malcolm,” a 105-unit condominium project located at the intersection of Wilshire Boulevard and Malcolm Avenue in West Los Angeles, Council District Five. First approved by the City in 1998, the project was originally conceived as a 107-unit, two-tower development comprised of 9-story and 14-story sections. Subsequent to a review of the proposed two-tower plan by the Westwood Design Review Board, the developer re-filed its application with the City to seek a conditional use permit for a taller one-tower structure. The City Council granted a conditional use for the Wilshire Malcolm on December 13, 2002, with the condition that the building height not exceed 290 feet. As part of the approval, the developer filed an application with the City for a Development Agreement that would lock in the entitlements granted for the project for 15 years. The Planning and Land Use Management Committee was scheduled to consider the application on June 10, 2003, but the matter was continued with no action taken to date. Additionally, the developer has voluntarily agreed to secure funding for traffic mitigation measures and landscaping for the project. (CF 02-2320, CF 97-2149, APCS 2001-1704 (CU))

Total Payments on Project/Issue: $157,407

Client: Weintraub Financial Services
Client Payments on Project/Issue to:
Christensen, Miller, Fink, et al. $129,175

Client: Wilshire Landmark Group
Client Payments on Project/Issue to:
Mark Armbruster & Associates $28,232

Client: Americana Glendale
Client Payments on Project/Issue to:
Cerrell Associates, Inc. $0

Project/Issue: PLAYA VISTA DEVELOPMENT PROJECT

Background: The Playa Vista Development Project (Playa Vista) is situated on 1,087 acres between Marina Del Rey, Westchester, and Playa Del Rey in Council District Eleven. The first phase of Playa Vista, currently under construction, provides housing, commercial office space, neighborhood shopping, parks and habitat protection and restoration. City approvals for the first phase were granted in 1993 and 1995 for 3,246 residential units, 3.2 million square feet of office/studio space, 35,000 square feet of retail space, and 120,000 square feet of community facilities.
Lobbyists for Playa Vista report that activity during the second quarter of 2003 primarily focused on building permits, a stockpile grading permit appeal and traffic analyses and Environmental Impact Report review.

According to the Playa Vista’s lobbyists, the developer and the Planning Department worked on the draft of an Environmental Impact Report during the second quarter of 2003 for the next phase of the development. Proposed uses for this phase, which encompasses 111.0 acres, include 2,600 residential units, 175,000 square feet of office space, 150,000 square feet of retail, and 40,000 square feet of community facilities. (CF 01-1305, CF-01-0150, CF 01-1962, CF 99-0385-S2, CF 99-0385-S4, CF 97-2237, et al.)

**Client:** Playa Capital Company, LLC/Playa Vista

**Client Payments on Project/Issue to:**

- **Rose & Kindel**
  - $56,000
- **Kelly, Lytton, Mintz and Vann, LLP**
  - 26,250
- **Psomas**
  - 13,008
- **Playa Capital Company, LLC**
  - 7,710
- **Latham and Watkins**
  - 7,559

**Project/Issue:** LAX MODERNIZATION PROJECT

**Background:** In 1994, the City initiated the LAX Master Plan to modernize Los Angeles International Airport and address issues of airport overcrowding, better ground accessibility, and environmental impact concerns. A research phase, concluded in December 1995, yielded several modernization alternatives for the airport. In January 2001, the City released the Draft Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) and Draft LAX Master Plan. In October 2001, the Mayor directed Los Angeles World Airports (LAWA) to develop an alternative plan to deal with increased security and safety concerns, and in July 2002, a new plan responding to the Mayor’s directive was incorporated into the LAX Master Plan. The modernization effort is expected to cost approximately $9-10 billion with an expected start date in 2004.

Immediately following the close of the second quarter, on July 9, 2003, LAWA and the Office of the Mayor released the LAX Master Plan and Supplement to the Draft EIS/EIR. The new Plan features improvements to runways and taxiways to accommodate jumbo jets, new remote check-in centers and a passenger tram to transport travelers to the main terminal. The Board of Airport Commissioners must approve the
Supplement to the Draft EIS/EIR prior to its certification by the City Council. (CF 00-1774, CF 00-1774-S1, California Clearinghouse No. 1997061047)

**Total Payments on Project/Issue:** $108,501

**Client:** City of El Segundo  
Client Payments on Project/Issue to:  
The MWW Group  
$50,001

**Client:** Gateway to LA PBID  
Client Payments on Project/Issue to:  
The MWW Group  
$37,500

**Client:** The MWW Group on behalf of the City of El Segundo  
Client Payments on Project/Issue to:  
Kelly, Lytton, Mintz & Vann, LLP  
$11,000*

**Client:** Airbus North America Holdings Inc.  
Client Payments on Project/Issue to:  
Ramirez & Company  
$10,000

**Client:** URS Corporation  
Client Payments on Project/Issue to:  
Rose & Kindel  
$0

*Payment disclosed represents a portion of the $50,001 payment from the City of El Segundo to The MWW Group.

**Project/Issue: MIDTOWN PLAZA REDEVELOPMENT PROJECT**

**Background:** Midtown Plaza, formerly Pico Plaza, is a planned 12-acre commercial development at the intersection of Pico and San Vicente Boulevards in Council District Ten. The project proposes 433,000 square feet of retail space to include Costco and Home Depot stores and a self-storage facility. Vacant commercial onsite commercial structures would be demolished and the Los Angeles MTA Pico-Rimpau Bus Terminal would be relocated to the western portion of the site. Originally proposed by Kital-Pico (as Kital-Pico, LLC) in 2000, the City Council approved the project in 2001, with the developer entering into an “Owner Participation Agreement” (OPA) with the City to allow partial public funding of the project through bond financing and a federal loan guarantee.

According to the City Clerk’s council files, a June 2002 redesign of the project resulted in a new proposal where Costco would occupy the top...
of a two-story structure above Home Depot and increased the total project cost from $81 to $91 million. Under this arrangement, Costco proposed to finance its retail portion of the site, Home Depot would enter into a long-term lease agreement with the developer, and Kital-Pico, LLC would own the self-storage facility and food/retail spaces. On December 22, 2002, the City Council authorized a new OPA with Midtown Plaza, LLC (as successor to Kital-Pico, LLC). Demolition on the site was expected to commence in May 2003. However, according to Community Redevelopment Agency officials, Costco and Kital-Pico were unable to resolve financial issues and in May 2003, Kital sold the property to another developer (CIM Group). (CPC 2000-5403 CU, CUV, SPR, CF 02-2741, CF 01-0951, CF 01-0951-S1)

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<tr>
<th>Client: Club Exclusive Corporation</th>
<th>Client Payments on Project/Issue to:</th>
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<td>$ 93,597</td>
<td>Greenberg Glusker Fields, et al.</td>
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Project/Issue: LAX GIFT AND NEWS CONCESSION EXPANSION PROJECT

Background: Since June 1994, W. H. Smith has held the City contract to run 41 Gift and News Concession stores at Los Angeles International Airport. Prior to the contract’s expiration date of May 31, 2002, negotiations between the City and the concessionaire resulted in a three-year extension (with two additional 1-year options) to continue operations at the airport through May 2005. As part of the agreement, W. H. Smith will commit to making $8 million in capital improvements to its stores and agrees to pay a minimum annual concession fee to the City. The City Council approved the extension on May 22, 2002.

In March of 2003, W. H. Smith lost approximately 4,800 square feet of retail space at the airport due to changes in the configuration of security checkpoints administered by the Transportation Security Administration (TSA). According to Los Angeles World Airports officials, an amendment is being prepared to the concession agreement that will reallocate space to compensate the concessionaire for the retail space lost to the TSA. The Board of Airport Commissioners will consider the amendment in September. (CF 98-0890, Concession Agreement No. LAA-7428 and Amendments)

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<tr>
<th>Client: W. H. Smith, Inc.</th>
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<tr>
<td>$ 72,671</td>
<td>C.S. Davis Company, Inc.</td>
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<td>Art M. Gastelum</td>
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|                           | C.S. Davis Company, Inc.         | $ 63,671
|                           | Art M. Gastelum                  | 9,000
**Project/Issue: 2000 AVENUE OF THE STARS REDEVELOPMENT PROJECT**

**Background:** Planning officials report that Trammell Crow Company has proposed “2000 Avenue of the Stars,” a redevelopment project on the site of the former ABC Entertainment Center Complex in Century City, Council District Five. Originally proposed in 2001, plans include a 15-story office building, a 3-acre landscaped plaza, and restaurant and retail spaces. District residents expressed concerns regarding the increase to area traffic patterns should the development project advance as proposed.

In November 2002, the Planning Department released the final Environmental Impact Report for the project. Three months later in February 2003, the Planning Commission granted several approvals for the project, including a conditional use permit, Project Permit Compliance with the Century City North Specific Plan, and the Planning Director’s determination for the reduction of off-street parking spaces. Area homeowner associations filed appeals challenging the Planning Commissions rulings. On June 20, 2003, the City Council certified the Environmental Impact Report and approved the conditional use for the project. (CF 03-0591, CPC No. 2002-4621-CU-SPP-DD, EIR No. 2001-4027; State Clearing House No. 2002011024)

**Client:** Trammell Crow Company

**Client Payments on Project/Issue to:**

- Latham & Watkins $28,212
- Kelly, Lytton, Mintz & Vann, LLP $17,644
- Marathon Communications $16,209
- Planning Company Associates, Inc. $1,421

**Project/Issue: THORNTON LOFTS DEVELOPMENT PROJECT**

**Background:** According to Planning Department officials, Venice Park Associates proposed Thornton Lofts in 2002, a two-part development bordering Thornton Avenue at Ocean Front Walk in Venice, Council District Eleven. Thornton Lofts North proposes four live/work loft condominium units over 900 square feet of ground retail space. Thornton Lofts South consists of six live/work loft units and 1,500 square feet of retail space. The south development proposes six condominium units and 1,500 square feet of retail space. A parking lot and open air vending space currently occupy the property on Ocean Front Walk. Surrounding residents oppose the project, citing the loss in area parking, alteration to the Venice boardwalk and obstruction to the existing view. The Planning Departments’ Advisory Agency—which investigates and reports on the design and improvement of proposed subdivisions and reviews all cases involving proposed condominium
units—approved the project on June 18, 2003. Residents subsequently filed an appeal challenging the decision. (ZA-2002-2546-CDP-CU-SPP-MEL, ENV-2002-2547-MND, VTT 53772-53773)

**Client:** Venice Park Associates c/o Ken Ayeroff  
*Client Payments on Project/Issue to:*  
Christensen, Miller, Fink, et al.  
$56,155  

**Project/Issue:** FURAMA HOTEL REDEVELOPMENT PROJECT  

**Background:** Decron Properties Corp./Decron Management is considering redeveloping the site of the Furama Hotel in Westchester, Council District Eleven. The as-yet-unnamed project would require demolishing a portion of the existing hotel and constructing 547 residential units and ground floor retail space on the 6.8-acre site. By the close of the second quarter of 2003, the developer had not filed a formal application for the project and the activities lobbyists reported were focused on environmental review and community outreach. According to Council District Eleven office staff, the community is currently undecided on the project primarily due to traffic-related issues. The developer is reportedly working to address those concerns.

**Client:** Decron Management  
*Client Payments on Project/Issue to:*  
Jeffer, Mangels, Butler & Marmaro, LLP  
$54,572  

**LOBBYIST REGISTRATIONS**

| Number of Registered Lobbyists: | 185 |
| Number of Registered Lobbying Firms: | 66 |
| Number of Registered Lobbyist Employers: | 18 |
| Number of Registered Clients: | 721 |

(Table 1A, “Lobbying Firms, Lobbyist Employers and Clients Registered During the Second Quarter 2003” and Table 1B, “Lobbyists, Lobbying Firms and Lobbyist Employers Registered During the Second Quarter 2003”)

**LOBBYING EXPENDITURES**

Lobbying expenditures for the second quarter of 2003 totaled $2,239,718. The highest amount reported during any previous calendar quarter for lobbying expenditures was $3,591,828, reported in the second quarter of 2000. This quarter’s reported expenditures were as follows:
Payments to lobbyists: $1,540,673
Payments to other employees for related lobbying activity: 297,694
“Activity Expenses”: 1,448
Other expenditures made to influence municipal legislation: 399,903

(Table 2, “Lobbying Expenditures Reported by Lobbying Firms and Lobbyist Employers Second Quarter 2003”)

ACTIVITY EXPENSES

Activity expenses are any payments of $25 or more that benefit a City official or a member of his or her immediate family. Activity expenses totaling $1,448 were reported during the second quarter from lobbyists, lobbying firms and lobbyist employers. (Table 3, “Activity Expenses Reported by Lobbyists, Lobbying Firms or Lobbyist Employers Second Quarter 2003”)

POLITICAL CONTRIBUTIONS

Under the City’s lobbying ordinance, lobbying firms, lobbyist employers and lobbyists who make, deliver, or act as an intermediary for political contributions of $100 or more to any committee controlled by a City candidate or officeholder must report those contributions. During the second quarter of 2003, 14 City officeholders and three candidates running in City elections received contributions from these sources. Political contributions disclosed by lobbying entities for the second quarter 2003 were reported as follows:

Contributions Made: $109,091
Contributions Delivered: 44,600
Intermediary Contributions: 26,914

(See Table 4A, “Reportable Contributions Made by Lobbying Firms, Lobbyist Employers and Lobbyists Second Quarter 2003”, Table 4B, “Reportable Contributions Delivered by Lobbying Firms, Lobbyist Employers, and Lobbyists Second Quarter 2003”, Table 4C, “Reportable Contributions Acted as an Intermediary for by Lobbying Firms, Lobbyist Employers, and Lobbyists Second Quarter 2003”)

LOBBYING FEES REPORTED

During the second quarter of 2003, 62 lobbying firms reported receiving $4,647,156 in lobbying fees. The highest amount in lobbying fees previously disclosed in a calendar quarter occurred in the fourth quarter of 2002, when 68 firms reported $4,825,482 in fees.
Table 5A, “Municipal Lobbying Payments from Clients to Lobbying Firms Second Quarter 2003” and Table 5B, “Client Payments Reported by Lobbying Firms for Municipal Lobbying Second Quarter 2003”

COMPENSATION RECEIVED FROM CITY AGENCIES

Lobbyists, lobbying firms and lobbyist employers are required to report compensation they receive from City agencies. During the second quarter of 2003, five lobbying firms reported compensation totaling $591,179 from City agencies. During the same period, these five firms reported $51,564 in expenditures to lobby the City. The lobbying firms reporting the most compensation from the City in the quarter are listed below:

- **Manatt, Phelps & Phillips, LLP** reported receiving $343,549 in compensation from the Department of Water and Power for “legal services to provide assistance and representation in litigation and energy matters and transactions (Agreement #47042), and for reimbursement of costs advanced; legal services to provide assistance and representation in reviewing, investigating and providing reports to City Attorney on open Equal Employment Opportunity complaints and training (Amendment #1 to Agreement #47042), and for reimbursement of costs advanced; for legal services and representation of the City in the Adelphia bankruptcy proceeding before the U.S. District Court, Southern District of New York, and for reimbursement of costs advanced.”

  The firm reported $18,968 in lobbying expenditures during the second quarter of 2003.

- **Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro, LLP** reported receiving $130,901 in compensation from the City of Los Angeles for “legal representation in defense of various pending liability lawsuits against the City.”

  The firm reported $30,000 in lobbying expenditures during the second quarter of 2003.

- **Allen, Matkins, Leck, Gamble & Mallory, LLP** reported receiving $90,520 in compensation from the Office of the City Attorney for “special legal counsel to assist the City Attorney with legal issues related to contract and real estate law in connection with DFS Group, LP (Contract DA-3716, Resolution No. 2187).”

  The firm reported no lobbying expenditures during the second quarter of 2003.

- **Catalyst Communications, Inc.** reported receiving $23,154 in compensation from the City of Los Angeles for “Proposition F Fire Facilities Bond—Community outreach services.”

  The firm reported no lobbying expenditures during the second quarter of 2003.
COMPENSATION RECEIVED FROM OFFICEHOLDERS AND CANDIDATES

Lobbyists, lobbying firms and lobbyist employers are also required to report compensation they receive from City officeholders and candidates. Payments received for providing services to campaigns for or against any City ballot measure, whether or not a City officeholder controls the ballot measure committee, must also be disclosed. During the second quarter of 2003, lobbying entities reported no compensation from these sources.