Item 11 Information

Quarterly Lobbying Report

Executive Summary: This item presents a summary of activities reported to the Ethics Commission by lobbying entities for the third quarter of 2013.

Recommended Action: This item is for informational purposes only.

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Lobbying Report: 3rd Quarter 2013

A. Introduction

The Municipal Lobbying Ordinance (MLO) regulates persons who receive compensation to lobby City officials. Los Angeles Municipal Code (LAMC) §§ 48.01, *et seq.* In LAMC § 48.01(B), the MLO makes several findings regarding lobbying activity, including the following:

- 1. Citizens have a right to know the identities of those who attempt to influence City decisions;
- 2. Public disclosure by lobbyists and their clients regarding their lobbying activities is essential to citizen confidence in the integrity of local government;
- 3. It is in the public interest to ensure that lobbyists do not misrepresent facts or their positions;
- 4. It is in the public interest to ensure that lobbyists do not place City officials under personal obligation to themselves or their clients.

To help ensure adequate and effective disclosure regarding efforts to lobby City government, lobbying entities are required to file quarterly disclosure reports. *See* LAMC §§ 48.01(B)(6), 48.08. This item summarizes information disclosed on the lobbying reports filed for the third quarter of this year.

B. Legal Background

1. Definitions

The MLO defines lobbying activity generally as compensated conduct related to communications with City officials that are designed to influence municipal matters. LAMC § 48.02. The lobbying entities that are regulated by the MLO include lobbyists, lobbying firms, and lobbyist employers.

A lobbyist is an individual who is compensated to spend 30 or more hours in a three-month period to engage in lobbying activities that include at least one direct communication with a City employee, including commissioners, that is designed to influence a City matter on behalf of another person. *Id.* A lobbying firm is an entity that is entitled to receive \$1,000 in compensation for engaging in lobbying activities on behalf of another person during a three-month period, if a partner, owner, shareholder, owner, or employee of the entity qualifies as a lobbyist. *Id.* A lobbying firm may be an individual lobbyist. Finally, a lobbyist employer is an entity that employs a lobbyist in-house to lobby on the entity's behalf. *Id.*

Certain persons are exempt from the lobbying regulations. These include the following: public officials and employees acting in an official government capacity; newspapers and other media outlets that publish editorials or paid advertising; a person whose only activity is bidding on a City contract; a 501(c)(3) organization created to provide services to indigent persons and that organization's employees when acting in the scope of that employment. LAMC § 48.03.

2. Registration and Reporting

Lobbyists and lobbying firms are required to register with the Ethics Commission on an annual basis. LAMC §§ 48.07(A)-(B). Registration is required within 10 days after the end of the month in which the qualification thresholds are met. LAMC § 48.07(A). Fees are charged for each year's registration: \$450 per lobbyist plus \$75 for each client from whom the lobbyist is entitled to receive \$250 or more in a calendar quarter. LAMC § 48.07(C).

Every lobbying entity is required to file quarterly disclosure reports once it or, for lobbyist employers, one of its employees qualifies as a lobbying entity. LAMC § 48.08(A)(1). They must continue to submit quarterly reports until registration is terminated, either voluntarily or automatically by virtue of the end of the calendar year. The disclosure reports must contain specific information, including the following:

- a. Each City agency that a lobbyist attempted to influence. LAMC §§ 48.08(B)(12), 48.08(C)(14).
- b. Each municipal matter that a lobbyist employer attempted to influence. LAMC § 48.08(D)(6).
- c. Total payments from clients to lobbying firms. LAMC § 48.08(C)(4).
- d. Total payments to lobbyists by lobbying firms and lobbyist employers. LAMC §§ 48.08(C)(7)(a), 48.08(D)(3).
- e. The elected City officials, candidates, or committees for which a lobbyist engaged in fundraising activity, as well as the dates of the activity and the amount of money raised. LAMC §§ 48.08(B)(7), 48.08(C)(9), 48.08(D)(10).
- f. Services provided by a lobbyist to a City candidate or ballot measure campaign or to the City under contract, as well as the amount of compensation received for those services. LAMC §§ 48.08(B)(10)-(11), 48.08(C)(12)-(13).

3. <u>Prohibited Activities</u>

Lobbying entities are prohibited from engaging in certain types of activity. They may not attempt to deceive City officials. LAMC §§ 48.04(B), (D). They may not place City officials under personal obligation to them. LAMC § 48.04(A). They may not create a municipal matter for the purpose of being retained to lobby on that matter. LAMC § 48.04(C).

Lobbyists and lobbying firms are also limited in certain financial activities. They may engage in fundraising, but they may not make campaign contributions to elected City officials, candidates, or committees if they are required to be registered to lobby the office the candidate holds or seeks. Los Angeles City Charter § 470(c)(11). And they may not make or act as an intermediary in the making of a gift to a City official. LAMC §§ 48.04(E), 49.5.10(A)(4)-(5).

C. Third Quarter Compliance

In the third quarter of this year, there were 353 registered lobbyists and 119 registered lobbying firms, which included 50 sole proprietorships. In addition, there were 65 lobbyist employers.

These 537 lobbying entities were required to file 487 disclosure reports for the third quarter (the 50 sole proprietor lobbyists were required to file a lobbying firm report but not a lobbyist report). A total of 485 reports (99.6 percent) were filed on time, and all third-quarter reports were filed within two days of the filing deadline. Late filing penalties totaling \$200 were collected in connection with the third-quarter filings.

D. Top 10 Highest Paying Clients

In the third quarter of 2013, there were 1,025 registered clients of lobbying entities. The clients who paid the most for lobbying services in the third quarter of 2013 are indicated in the following table, along with the descriptions of the projects for which the payments were made. Each of the top ten client payments amounted to at least \$100,000. Combined, the top ten client payments totaled \$2,122,285, or 19 percent of the \$11,453,528 total reported payments from clients.

	TOP 10 HIGHEST PAYING CLIENTS Based on Payments Made in 2013 Q3				
Payments	Payments Client Project		Lobbying Firm		
\$572,681	Millennium Partners LA	Millennium Hollywood: CEQA, Entitlements, Community Outreach (CF #s 13-0593; 13-0593- S1)	Sheppard, Mullin, Richter & Hampton LLP		
\$461,798	Academy of Motion Picture Arts & Sciences	Museum project located at 6067 Wilshire Blvd at the LACMA Campus. Involves reuse of City Historic Cultural Monument-designated May Company building and construction of 1,000-seat theatre and event space. Preparation and review of EIR and related technical studies in connection with necessary land use approvals and entitlement.	Armbruster Goldsmith & Delvac LLP		
\$177,935	iStar Financial Inc.	Ponte Vista, a 61.5-acre housing project in San Pedro	Cox, Castle & Nicholson LLP		
\$167,436	Champion Real Estate Company	Approvals related to Highland Selma Venture Project, a two-building development mixed-use project. (CPC 2011-2157-ZV-SPR).	Sheppard, Mullin, Richter & Hampton LLP		
\$135,000	RECP Sydell Wilshire	Wilshire Hotel (ZA 2013-1374-CUB-CUX)	Sheppard, Mullin, Richter & Hampton LLP		

TOP 10 HIGHEST PAYING CLIENTS (cont'd) Based on Payments Made in 2013 Q3				
Payments	Client	Project	Lobbying Firm	
\$125,955	Townscape Partners	Land use entitlements for new mixed-use development project at 8150 Sunset Boulevard; Case No. CPC-2013-2551-CUB-ZV-DB-SPR	Paul Hastings LP	
\$123,111	Amalgamated Bank	Building permits for project located at 6200 W. 98 th Street, Los Angeles, CA 90045	Jeffer Mangels Butler & Mitchell LLP	
\$123.031	American Progressive Bag Alliance	Proposed Ban on Plastic Bags (Oppose)	Mercury Public Affairs	
\$118,400	Chinese Theatre, LLC	Chinese Theatre/IMAX Update (APC 2013-34-SPE-SPP; DIR-2013-280-SPP)	Sheppard, Mullin, Richter & Hampton LLP	
\$116,938	M. David Paul & Associates	Approvals related to II Toscano Villaggio, a mixed- use residential and commercial retail project with 325 apartment units and approximately 52,000 SF of retail space located at Sepulveda and Camarillo, in Sherman Oaks.	Consensus Inc.	

E. Top 10 Highest Paid Lobbying Firms

Lobbying firms are required to report the total amount of payments they receive each quarter from the clients they represent. A total of \$11,453,528 in payments from clients was reported by all lobbying firms for the third quarter of 2013.

The ten firms that reported the highest total payments from clients are identified in the table on the following pages. These ten firms received \$6,301,428 from clients, or 55 percent of all payments from clients reported by all lobbying firms for the third quarter.

TOP 10 HIGHEST PAID LOBBYING FIRMS Based on Payments Received From Clients in 2013 Q3					
Client Payments	Firm and Clients				
\$1,222,412	Sheppard, Mullin, Richter & Hampton LLP 1775 N. Summitridge Forest City Residential West, RECP Sydell Wilshire 228 S. Main Street, LLC Inc. RECP Sydell Wilshire Champion Real Estate Harridge Development Group, Company LLC Taglyan, Petros Chinese Theatre, LLC Hollywood Orange Land, LLC Cooperative of American Physicians Icon LA Ultra Lounge Flying Food Group Ladner, John				

TOP 10 HIGHEST PAID LOBBYING FIRMS (cont'd) Based on Payments Received From Clients in 2013 Q3					
Client Payments	Firm and Clients				
\$965,646	Armbruster Goldsmith & Delvac	LLP			
	1430 N. Cahuenga Partners LP 1706 Maple, LLC 4180 Wilshire LLC 512 Perugia Way, LLC 7107 KWLF Developers, LLC 901 W. Olympic Blvd LP A&S Brewing Collaborative LLC Academy of Motion Picture Arts & Sciences ACC OP Development LLC AEG Associated Estates Au Zone Investments #2 LLP Bel Air Presbyterian Church Blumenfeld, Robert Boy Scouts of America, Western Los Angeles Cty BRE Properties, Inc. Brentwood School California Marketplace Campbell Hall School Cascades Project Owner LLC	Chandler Partners Davis, Kelvin Din/Cal 2, Inc. Factor, Dean & Shannon Fifield Companies Frost/Chaddock Developers, LLC Genton Property Group Hadid, Mohamed IMT Capital LLC Jalof & Silbert Limited Partnership JCDecaux Airport; Inc Joan's on Third L.T. Properties Legacy Partners Lincoln Property Company Los Angeles Country Club M David Paul MacFarlane Partners Marlborough School MGA North LLC Next Century Associates, LLC	Outparcel Investment Partners VI, LLC Precision Development Company Project Operations LLC Starwood Hotels and Resorts Worldwide Tanner & White Properties, Inc. Target Corporation The Buckley School The Hanover Company (for UDR) The Macerich Company The Martin Group TriStar Realty Group, LLC United Technologies Corporation University of Southern California Urban 24 LA LLC Urban Commons Virgil, LLC Walgreens Wilcox Melrose Residential II LLC Woram, Brian		
\$755,563	Englander, Knabe and Allen				
	Accela, Inc. Active Networks, Inc. American Airports Corporation American Golf Corporation Art of Living Foundation USA Avaya, Inc. BNSF Railway Company CALTROP City of Ontario Clay Lacy Aviation Coalition to Save the Westside Coca Cola Bottling USA Crews of California, Inc. Dominion Voting Systems, Inc. Dragados USA	Envista Corporation Greater California Livery Association Harbor Trucking Association IBM Corporation IMPEX Technologies, Inc. JCDecaux North America Lenyn Ltd, dba ICE Currency Services, USA Lyft, Inc. McArthurGlen Group Motorola, Inc. National Strategies, LLC on behalf of CityScan Official Police Garage Assn of LA Project Frog	Pulice Construction Security Point Media, LLC SMG Standard Parking Television Center, Inc. Total Transportation Services, Inc TTSI TRC Solutions, Inc. Vision Motor Corp. Waste Management Inc. Westfield Concession Management, Inc. William Blair Xerox Business Services, LLC and its Affiliates Xerox Corporation XpresSpa Holdings, LLC		

	TOP 10 HIGHEST PAID LOBBYING FIRMS (cont'd) Based on Payments Received From Clients in 2013 Q3				
Client Payments	Firm and Clients				
\$671,749	Ek & Ek AECOM Aerolease West Airtel Plaza Hotel American Airlines American Beverage Association American Reclamation CalPortland Cement City of El Segundo DFS North America Exxon Mobil Farmers Insurance Flying Food Group HMS Host Hospital Association of Southern California	JC Decaux North America JMB Realty Corporation Karsh, Bruce and Martha Los Angeles Waterfront Alliance Motion Picture Association of America MP Aero Multi State Associates on behalf of Community Financial Services of America NBCUniversal Media, LLC NIKE – GBU West Northrop Gruman Corporation Pacific Coast Sightseeing Tours & Charters	Pacific Harbor Line Parking Concepts Inc Pick Your Part Regency Outdoor Advertising, Inc. Signature Flight Support Trammell Crow Company Urbaser Valero Inc Walmart Warren E&P Inc. Warrior Petroleum Xerox Yellow Cab		
\$597,611	Craig Lawson & Co., LLC 1111 Sunset LLC 1200 S. Figueroa LLC 233 W. Washington LLC 901 W. Olympic Blvd LP Abode Communities Alameda & Fourth LLC Amacon Construction Ltd. Astani Enterprises Inc. B & F Associates Beverly & Lucas LLC Boss Law Firm BW Brody Affiliated Camden USA Capital Foresight Carmel Partners Inc. Caruso Affiliated Holdings CIM Group EYP Realty, LLC Harold Richards LLC	Harry's Auto Body Inc Holland Partners Islands Restaurants, L.P. JMF Development John & Sons LLC Kaiser Foundation Health Plan Inc. LA Main Affiliates LLC LAW Offices of George G. Braunstein Lizard Capital Los Angeles Country Club M. David Paul Development LLC McCormack Baron Salazar Mendocino Farms Moss & Company Myron, James	Onni Contracting Rancho Trust RREEF America LLC Sassony Commercial Real Estate Shalhevet School Skid Row Housing Trust St Matthews Parish School TAAG Investment Management LLC The City Market of Los Angeles The Hanover Company UDR, Inc. Villa Marina MHRP V West Coast Investors Williams Homes Inc. Wilson University Gateway LLC Young Nak Church		
\$459,618	Jeffer Mangels Butler & Mitchell I 1400 Linda Flora Associates, LLC 7th Street Property Investors, LLC Abbey Loo, Inc., Evan Levi, Mia Levi Amalgamated Bank Asada, Inc. Beverlywood Homes Association Bordan Shoe Company Broad Beach Geologic Hazard Abatement District Bulwer Drive, LLC/Midwest First Financial, Inc. Chabad of North Hollywood Coalition to Save the Westside	Decron Properties Corp Dorothy Meisel Trust Edelson, Steven Encore Silverlake Investments, LLC Essex Property Trust Forestar Real Estate Group, Inc. Gary M. Safady and 9712 Oak Pass Road, LLC Hecker, Gary HEI/GC Hollywood & Vine Condominiums LLC;Hollywood & Vine Residences Assn. Injae, LLC; Int'l West, LLC iPic Entertainment iStar Financial, Inc. Legado Companies	Minerd, Byron Scott Miramar Home Owners Association, Inc. New West Charter School One Hunded Towers Patel, Mukesh PLB Management dba Park La Brea Apts. Ronald A. Simms Commercial Development and Montel Associates LP Saffari, Said & Heidi TNT Lodging LLC Tower Lane Properties, Inc. Wilcore Corp.		

TOP 10 HIGHEST PAID LOBBYING FIRMS (cont'd) Based on Payments Received From Clients in 2013 Q3				
Client Payments	Firm and Clients			
\$450,382	Latham & Watkins LLP			
	512 Perugia Way, LLC 6104 Hollywood, LLC 8minutenergy Renewables, LLC Apartment Investments & Management Company ("AIMCO") Archer School for Girls Atlas Iron & Metal Company CH Palladium, LLC Clear Channel Outdoor DCOR, LLC First Solar (formerly NextLight)	Forest Lawn Memorial Park Assn GH Palmer Assoc (Palmer/Flower Street Properties, LP) Health Net, Inc. Honeywell International, Inc. JMB Realty Corporation (AKA: AP Properties) Karsh, Bruce & Martha Mapleton/RDS Real Estate, LLC Montrose Chemical Corporation of California	NBCUniversal Media, LLC Pacific Maritime Association Paramount Studios SM 10000 Property, LLC St. Matthew's Parish School SulCan Holdings LLC The Buckley School The McCourt Company Tribune Company Urbaser Westfield, LLC Wilshire Gayley, LLC	
\$422,224	Marathon Communications Inc			
	Academy of Motion Picture Arts and Sciences Bechtel Development Company, Inc. for Soda Mountain Solar, LLC Burbank-Glendale-Pasadena Airport Authority	Casden West LA LLC DFS North America HNTB Corporation iStar Financial Mayer Brown LLP on behalf of Summit Media LLC Millennium Partners	Rainbow Environmental Services Target Corporation The Ratkovich Company Townscape Partners Travelex Currency Services Inc.	
\$411.123	Mayer Brown LLP			
	AquaHelio Management, Inc. Bloom Energy Blue Shield of California Clay Lacy Aviation	Duncan Solutions Ensemble Investments JMB Realty Corporation La Caze Development Company	Los Angeles Police Protective League Summit Media LLC Vopak Terminal Los Angeles Inc.	
\$345,100	Arnie Berghoff & Associates			
	Affirmed Housing Group American Medical Response of So. California (AMR) Athens Services Barren Ridge 1 (Recurrent Energy) Cisco Systems Inc Clear Channel Airports	Clear Channel Outdoor Estate Research Associates Green Conversion Systems, LLC Jon's Towing Company National Strategies, LLC on behalf of OHL USA, Inc. NORESCO LLC	Oracle America, Inc. Repipe California / Inland Pipe Rehabilitation LLC SAS Institute, Inc. SERCO, Inc. TLC Engineering, Inc. World Wide Technology	

F. Top 10 Fundraisers

Lobbying entities are also required to disclose their activities associated with money provided to City campaigns and officeholders. For example, they must disclose the total amount of fundraising that they engaged in for elected City officials, candidates, and committees.

Of the 537 third-quarter lobbying entities, 15 (2.8 percent) reported fundraising activity. All lobbying entities combined reported raising a total of \$81,080 in the third quarter of 2013.

The ten lobbying entities that raised the most money in the third quarter are identified in the table on the following pages. In total, they raised \$76,730, which is 95 percent of the total raised by all lobbying entities. The lobbying entities that reported the same dollar values were

co-hosts for fundraising events, and each co-host reported the total amount raised through those events.

TOP 10 FUNDRAISERS 2013 Q3				
Total Raised	Name of Lobbying Entity	Type of Entity	Recipients	
\$17,085	Cerrell Assoc Inc	Firm	Nury Martinez for City Council 2013 – General \$14,585 Nury Martinez for City Council 2013\$2,500	
\$13,775	Afriat Consulting Group Inc	Firm	Mike Bonin for Clty Council 2013 Officeholder Account\$7,525 Bob Blumenfield for City Council 2013 – Officeholder Account\$6,250	
\$8,500	Urban Solutions, LLC (Morrie Goldman)	Firm*	Mike Bonin for Clty Council 2013 Officeholder Account\$3,000 Nury Martinez for City Council 2013-General\$3,000 Bob Blumenfield for City Council 2013 – Officeholder Account\$2,500	
\$7,525	Veronica Perez	Lobbyist	Mike Bonin for Clty Council 2013 Officeholder Account\$7,525	
\$6,846	Rosenheim & Associates, Inc.	Firm	Bob Blumenfield for City Council 2013 – Officeholder Account\$3,998 Cindy Montanez for LA City Council 2013 – General\$2,848	
\$6,699	Apartment Association of Greater L.A.	Employer	Cedillo for City Council General 2013\$4,053 Mitch O'Farrell for LA City Council 2013 – General\$2,646	
\$5,100	The Santa Maria Group	Firm*	Mitch Englander Officeholder\$3,000 Nury Martinez for City Council 2013\$2,100	
\$4,500	M Advisors LLC	Firm	Mitch Englander Officeholder\$4,500	
\$4,200	Law Office of Gideon Kracov	Firm*	Cedillo for City Council General 2013\$4,200	
\$2.500	Kindel Gagan	Firm	Mitch Englander Officeholder\$2,500	

^{*}Sole proprietor.

G. Contributions

Lobbying entities must also report on a quarterly basis the contributions they make, deliver, or for which they act as intermediaries. A lobbying entity delivers a contribution for another person when the lobbying entity causes the contribution to be mailed or physically conveyed to the recipient.

A lobbying entity is an intermediary for a contribution when the lobbying entity makes the contribution, itself, on behalf of another party who then reimburses the lobbying entity. The identity of a person for whom a lobbying entity acts as an intermediary must be disclosed.

In the third quarter of 2013, four of the 537 lobbying entities disclosed making \$4,000 in contributions to City officeholders.

	MADE CONTRIBUTIONS 2013 Q3				
Total Delivered	Name of Lobbying Entity	Type of Entity	Recipients		
\$1,800	Building Owners & Managers Assn	Employer	Ron Galperin for L.A. City Controller 2013 General\$1,300 Mike Bonin for City Council 2013 Officeholder Account\$500		
\$1,200	BNSF Railway Company	Employer	Nury Martinez for City Council 2013 – General\$700 Mike Bonin for City Council 2013\$500		
\$500	Kendall Brill & Klieger LLP	Firm	Buscaino for City Council 2013\$500		
\$500	McDonald's USA, LLC	Employer	Wesson Officeholder Account\$500		

Also in the third quarter, five lobbying entities reported \$50,025 in delivered contributions. Two lobbying firms (Afriat Consulting Group and Urban Solutions, LLC) delivered a combined \$36,025 in contributions, which represents 72 percent of all delivered contributions reported by filers for the quarter.

	DELIVERED CONTRIBUTIONS 2013 Q3				
Total Delivered	Name of Lobbying Entity	Type of Entity	Recipients		
\$20,125	Afriat Consulting Group	Firm	Mike Bonin for Clty Council 2013 Officeholder Account		
\$15,900	Urban Solutions, LLC (Morrie Goldman)	Firm*	Friends of Eric Garcetti Officeholder\$13,500 Nury Martinez for City Council 2013 – General\$1,400 Bob Blumenfield for City Council 2013 – Officeholder Account\$500 Councilmember Curren Price Officeholder Account\$500		
\$4,900	Kindel Gagan	Firm	Mitch Englander Officeholder\$2,500 Cindy Montanez for LA City Council 2013 – General\$2,400		
\$4,200	Law Office of Gideon Kracov	Firm*	Cedillo for City Council General 2013\$4,200		
\$1,900	Beverly Kenworthy	Lobbyist	Cindy Montanez for LA City Council 2013 – General\$700 Nury Martinez for City Council 2013-General\$700 Bob Blumenfield for City Council 2013 – Officeholder Account\$500		

	DELIVERED CONTRIBUTIONS 2013 Q3 (cont'd)				
Total Delivered	Name of Lobbying Entity	Type of Entity	Recipients		
\$1,000	Apartment Association of Greater Los Angeles	Employer	Bob Blumenfield for City Council 2013 – Officeholder Account\$500 Councilmember O'Farrell Officeholder 2013\$500		
\$700	Lisa Gritzner	Lobbyist	Nury Martinez for City Council 2013 – General\$700		
\$500	Cerrell Associates	Firm	Nury Martinez for City Council 2013 – General\$500		
\$500	Englander, Knabe and Allen	Firm	Wesson for City Council\$500		
\$500	Marcus Allen	Lobbyist	Wesson Officeholder Account\$500		

^{*}Sole proprietor.

No lobbying entity reported acting as an intermediary for any contribution in the third quarter.

H. Public Access

Detailed information about lobbying entities and their clients is available on the Ethics Commission's website at ethics.lacity.org/lobby/lobby.cfm. Our electronic filing system is instantly updated when a registration occurs or a quarterly report is filed, so the public has real-time information about lobbying activity in the City. Registration statements and quarterly reports may be viewed online. In addition, the public can conduct queries to retrieve specific information about lobbying entities and their activities.