

Report to the Los Angeles City Ethics Commission on
Prohibited Campaign Contributions by Carl Lambert
and Mark Sokol

October 1, 2016

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1 Synopsis

1. In June 2014, Mark Sokol and Carl Lambert began to participate in discussions with the Los Angeles City Clerk’s office about forming a business improvement district in Venice. These discussions and subsequent actions on both their part and the City’s part constituted a contract solicitation and response thereto. The nature of the contract was such that the restrictions on campaign contributions by contractors were (and are) in force. Both Sokol and Lambert made contributions in violation of these restrictions.

2 Background

2. Business improvement districts (“BIDs”) are special assessment districts overseen by 501(c)(6) nonprofit corporations known as “owners’ associations,” which operate under contract with cities. They are authorized by the Property and Business Improvement District Law of 1994, found in the [California Streets and Highways Code](#) at §36600 et seq. There are property-based BIDs and merchant-based BIDs.
3. In Los Angeles (“the City”) BIDs are overseen by the City Clerk’s office (“the Clerk”), which serves as the awarding authority for the contracts signed by the owners’ associations. This is done through the Neighborhood and Business Improvement District (“NABID”) division, supervised by Miranda Paster.
4. Mike Bonin assumed office as the Councilmember for CD11, which includes the neighborhood of Venice, on July 1, 2013. By June of 2014 a number of Venice property owners and CD13 were engaged in the process of forming a property-based BID in Venice in the commercial areas near the beach (“Venice Beach BID”). Debbie Dyer Harris is a Council Aide with CD11. During the events discussed in this report she worked with proponents of the Venice Beach BID.
5. Don Duckworth and Tara Devine are consultants who help property owners who want to start BIDs navigate the City’s BID formation process.

3 The law

3.1 Business improvement districts

6. The Property and Business Improvement District Law of 1994 states in part at [§36612](#) that:

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan.
7. The Property and Business Improvement District Law of 1994 states at [§36621\(a\)](#) that:

Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district.

8. The Property and Business Improvement District Law of 1994 states at §36621(b) that:

The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan.

9. The Property and Business Improvement District Law of 1994 states at §36622(n) that:

The management district plan shall include . . . In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

3.2 Campaign finance¹

1. The Los Angeles City Charter at §470(a) states:

(a) Purpose. The purpose of this section is to encourage a broader participation in the political process and to avoid corruption or the appearance of corruption in city decision making, and protect the integrity of the City's procurement and contract processes by placing limits on the amount any person may contribute or otherwise cause to be available to candidates for election to the offices of Mayor, City Attorney, Controller and City Council and promote accountability to the public by requiring disclosure of campaign activities and imposing other campaign restrictions.

2. The Los Angeles City Charter at §470(c)(12)(A)(i)(iii) states:

(A) The following persons shall not make a campaign contribution to any elected City official, candidate for elected City office, or City committee controlled by an elected City official or candidate:

- (i) A person who bids on or submits a proposal or other response to a contract solicitation that has an anticipated value of at least \$100,000 and requires approval by the City Council;
- (iii) Principals of persons defined in subparagraphs (i) and (ii).

3. The Los Angeles City Charter at §470(c)(12)(E) states:

¹I'm including this section to help me organize my argument. I don't mean its inclusion to suggest that the CEC's enforcement staff don't know these laws.

The prohibitions in paragraphs (A) and (B) shall apply from the time the bid or proposal is submitted until the contract is signed, the bid or proposal is withdrawn by the bidder or proposer, or the City rejects all proposals for the contract, whichever is earlier. The prohibitions shall continue for 12 months after the contract is signed for the successful bidder or proposer, its principals, its subcontractors of at least \$100,000, and the principals of those subcontractors.

4. The Los Angeles City Charter at §470(c)(12)(F) states:

For purposes of this subdivision, a principal of a person who is a bidder, proposer, or subcontractor means the person’s board chair, president, chief executive officer, chief operating officer, or the functional equivalent of those positions; any individual who holds an ownership interest in the person of 20 percent or more; and any individual authorized by the bid or proposal to represent the person before the City.

5. The Los Angeles Municipal Code at §49.7.35(A)(5) states in part that:

“**Contract solicitation**” means a request for proposals, request for bids, request for qualifications, or any other request, whether written or verbal, for purposes of entering into a contract.

4 The argument

4.1 The City solicits contracts as part of the BID formation process

4.1.1 The City solicits proposals for new BIDs

Facts

6. The City Clerk’s website contains a section called [Start a Business Improvement District](#), which links to a document called “**DISTRICT FORMATION ACTIVITY GUIDELINES**” (see Exhibit 1, page 12).
7. According to this document, the first step in the first stage of forming a BID is that:

[a]n individual, or a group of individuals (“proponent group”), or a Councilmember, desires to investigate the possibility of establishing a BID in a given area. A Motion is prepared, presented and adopted which directs the City Clerk’s Office to work with the proponent group. City Clerk staff contacts the group. City Clerk staff supplies reports, data, videotapes and other information to the group in order to educate them and to ascertain if a BID is the correct vehicle for the situation. City Clerk staff assistance is also provided in the form of presentations and on-site meetings. If a BID is determined to be appropriate, the process continues.

Conclusions

8. The Clerk has a standing invitation for proponent groups to initiate the process of forming a BID. It is advertised on the Clerk's website and a procedure is in place to assist groups to form BIDs.

4.1.2 A successful BID proposal necessarily implies a contract

Facts

9. The State by authority of which BIDs are formed requires that a contract between the City and an owners' association be signed to administer the BID. See paragraph 6 (page 3) above.
10. This requirement is implemented by the Clerk in the third stage of its BID formation policy (Exhibit 1, page 12), which states:

After the City Council establishes a BID, an administration agreement, entered into between the City and the BID's operating entity (owners' association), must be entered into in order for the owners' association to administer and implement the services and activities of the BID.

Conclusions

11. Because both State law and City policy make a contract with an owners' association a mandatory part of the BID formation process, the approval of a BID implies that a contract will necessarily be entered into by the City.

4.1.3 QED

12. The City invites groups of property owners to form BIDs (paragraph 8) and a successful proposal by a group of property owners will necessarily result in a contract with the City (paragraph 11). This constitutes a "request ... for purposes of entering into a contract" and is therefore a contract solicitation under the meaning of §49.7.35(A)(5) (paragraph 5).

4.2 Who responded to the City's contract solicitation regarding the Venice Beach BID?

4.2.1 Facts

13. Councilman Mike Bonin was holding discussions with Venice Beach BID proponents as early as June 2014. See Exhibit 2 (page 17). In particular, on June 5, 2014, Debbie Dyer Harris wrote to Don Duckworth:

... The Councilmember is hosting several property owners and business owners along Ocean Front Walk in Venice at a meeting this Monday, June 9, to

discuss creating a BID. He was wondering if you'd be able to attend, to help answer any questions on the creation and operation of a BID, and providing your insight. We will be joined by Miranda Paster of the City Clerk's office, as well as the founding director and the current president of Central City East's BID.

14. On June 9, 2014, Debbie Dyer Harris thanked Don Duckworth for attending this meeting. His reply on June 10 (Exhibit 2, page 17) included Carl Lambert, Mike Bonin, and Miranda Paster in the CC field.

15. On June 11, 2014, Carl Lambert emailed a number of people, informing them that:

... we have a majority of owners in favor of a BID. ... We are now ready for the next step.

One of the 41 recipients of Lambert's email was Mark Sokol. (Exhibit 2, page 17).

16. On June 12, 2014, Carl Lambert emailed six people to arrange a meeting with Debbie Dyer Harris to discuss the BID formation process. Of these six people, four were property owners. Mark Sokol was one of these four. (Exhibit 2, page 17).

17. On June 27, 2014, Mark Sokol emailed Debbie Dyer Harris, CC-ing Carl Lambert, asking:

What are the next steps to move the BID forward?

18. On June 27, 2014, Carl Lambert emailed Miranda Paster to ask her to recommend a consultant other than Don Duckworth.² Paster replied, CC-ing Mark Sokol and two employees of the City, with an outline of the BID formation process.

19. By September 30, 2014 Tara Devine had taken over from Don Duckworth as the consultant working with the Venice Beach BID proponents. See Exhibit 3 (page 26). And Miranda Paster was meeting with Devine and the BID Proponents. See Exhibit 4 (page 28).³

20. Paster continued to meet with Devine and BID Proponents through 2015. For one instance of this from August 17, 2015, see Exhibit 5 (page 30) where the meeting covered the proposed BID's management district plan and engineer's report.

21. The Venice Beach Property Owners Association ("POA") registered with the California Secretary of State as a nonprofit corporation on April 6, 2016. See Exhibit 6 (page 32). According to Debbie Dyer Harris, the three board members of the POA are Steve Heumann, Carl Lambert, and Mark Sokol. See Exhibit 7 (page 34).

²Who, evidently, was ghosting them.

³Note that Paster's weekly reports are dated according to the beginning of the week they describe, so the meeting listed in her September 30 report (Exhibit 4 page 28) almost surely took place on October 1, 2014 as mentioned in Devine's email (Exhibit 3 page 26).

4.2.2 Conclusions

22. Beginning in June 2014 Councilmember Mike Bonin was working with Carl Lambert, Mark Sokol, and others to form a Property Owners Association for the purpose of having it enter into a contract with the City to administer a Venice Beach BID.
23. Before the Venice Beach POA was formed in April 2016, Mark Sokol and Carl Lambert as individuals were in the process of responding to the City’s contract solicitation to administer the proposed Venice Beach BID.
24. The Los Angeles City Charter at §470(c)(12)(F) (paragraph 4) defines a “principal” in pertinent part as “any individual authorized by the bid or proposal to represent the person before the City.” After the formation of the POA, Sokol and Lambert were principals of the POA, which is still in the process of responding to the City’s contract solicitation represented by Sokol and Lambert.

4.3 That the contract’s value is over \$100,000

4.3.1 The City will pay \$523,866.88 per year to the BID

25. The City of Los Angeles owns parcels in the proposed BID boundaries whose combined assessments will be \$426,604.68. There is one parcel owned by LAUSD and seven parcels owned by the State of California. The total assessment for all these parcels is \$523,866.88. See Exhibit 8 (page 36).
26. The City of Los Angeles holds a long-term lease on the seven State-owned parcels and will pay the associated assessments. All of these assessments are paid out of the City’s Unappropriated Balance. See Exhibit 9 (page 38, pages 4 and 5 in the document’s internal pagination).

4.3.2 The “zero valuation” objection refuted

27. The City has from time to time argued that contracts with POAs to administer BIDs do not meet various value-based thresholds because the City collects assessments from property owners and pays what is essentially their own money back to the property owners.⁴ Therefore, the argument goes, these contracts have zero value with respect to City money. I think this argument is wrong in general, but it’s not necessary to argue that here. Because the City will pay \$426,608.68 per year out of the general fund if the BID is approved, this so-called “zero valuation” argument does not apply in the case of the Venice Beach BID.

⁴For instance, Russ Strazzella, formerly of the Bureau of Contract Administration, told me that this is why POAs were exempt from the City Contractor Performance Evaluation Ordinance, which also has a threshold of \$100,000.

4.4 That the contract requires approval by the City Council

28. The Property and Business Improvement District Law of 1994 at §36621(a) (see paragraph 7) states that if a BID is to be formed the Council must authorize it by ordinance. The same law at §36612 (see paragraph 6) states that a BID can be formed if and only if a contract with a POA is signed. Thus BID administration contracts must be approved by the City Council.

4.5 That Carl Lambert and Mark Sokol made campaign contributions in violation of the law

29. Before April 2016, each of Carl Lambert and Mark Sokol is “a person who . . . submits a[n] . . . other response” (Section 4.2, page 6) “to a contract solicitation” (Section 4.1.1, page 5) “that has an anticipated value of at least \$100,000” (Section 4.3, page 8) “and requires approval by the City Council” (Section 4.4, page 9). After April 2016 they were “principals of [such] persons” (paragraph 24). Thus Lambert and Sokol satisfy the criteria given in the City Charter at §470(c)(12)(A)(i)(iii) (paragraph 2) as “persons [who] shall not make a campaign contribution to any elected City official, candidate for elected City office, or City committee controlled by an elected City official or candidate.”
30. The City Charter at §470(c)(12)(E) (paragraph 3) states that this restriction applies “from the time the proposal is submitted,” which was in June 2014, until the contract is signed or the proposal is withdrawn. Neither of these events have occurred, so the restrictions which began in June 2014 are still in force.
31. Carl Lambert made the following donations to candidates and elected officials while the restrictions were in force:

Date	Candidate/Official	Office	Amount
09/30/14	Tara Bannister	Candidate for CD4	\$700
06/24/15	Eric Garcetti	Mayor	\$1,400
12/08/15	Mike Bonin	Council Member - District 11	\$700
Total			\$2,800

32. Mark Sokol made the following donations to candidates and elected officials while the restrictions were in force:

Date	Candidate/Official	Office	Amount
09/09/14	Jose Huizar	Council Member - District 14	\$700
06/24/15	Felipe Fuentes	Council Member - District 7	\$700
09/18/15	Paul Krekorian	Council Member - District 2	\$350
08/26/15	Marqueece Harris-Dawson	Council Member - District 8	\$700
06/30/15	Curren Price	Council Member - District 9	\$500
12/21/15	Mike Bonin	Council Member - District 11	\$700
12/02/15	Ron Galperin	Controller	\$500
08/26/15	David E. Ryu	Council Member - District 4	\$700
11/03/15	Nury Martinez	Council Member - District 6	\$700
04/19/16	Gilbert Cedillo	Council Member - District 1	\$700
11/10/15	Gil Cedillo	Council Member - District 1	\$700
06/30/16	Ron Galperin	Controller	\$700
05/31/16	Curren Price	Council Member - District 9	\$700
06/07/16	Paul Koretz	Council Member - District 5	\$700
10/27/14	Ron Galperin	Controller	\$500
04/20/15	Paul Koretz	Council Member - District 5	\$700
06/29/15	Ron Galperin	Controller	\$500
Total			\$10,750

5 Requested action

33. I request that the City Ethics Commission file civil actions against Mark Sokol and Carl Lambert as authorized by [LAMC §49.7.38](#) for negligently violating the above-described provisions of the City Campaign Finance laws.

6 Exhibits

6.1 Exhibit 1 – DISTRICT FORMATION ACTIVITY GUIDELINES

CITYWIDE BUSINESS IMPROVEMENT DISTRICT PROGRAM

DISTRICT FORMATION ACTIVITY GUIDELINES

The Citywide Business Improvement District (BID) Program, as developed by the City of Los Angeles and pursuant to all pertinent state legislation, may be divided into three basic stages: Stage One, which consists of necessary tasks and activities is referred to as the Formation Stage; Stage Two, which consists of the required meetings, hearings and support tabulation is referred to as the Establishment Stage; and Stage Three, which consists of contractual, organizational and programming activities is referred to as the Operational or Administrative Stage. This document will serve to summarize each of the three stages. The Administrative Services Division of the Office of the City Clerk is preparing a more comprehensive guide to the investigative, legislative and administrative processes involved in formation, establishment and administration.

STAGE ONE: FORMATION

The preliminary procedures for business improvement district formation are described below. Certain procedures are applicable in all situations and certain elements are common to all business communities. However, it is important to keep in mind the fact that each and every proposed district possesses unique characteristics. This is where customizing the project becomes necessary and, historically, this is also when a consultant is hired to package the project. The following information should be considered as a summary.

1. An individual, or a group of individuals ("proponent group"), or a Councilmember, desires to investigate the possibility of establishing a BID in a given area. A Motion is prepared, presented and adopted which directs the City Clerk's Office to work with the proponent group. City Clerk staff contacts the group. City Clerk staff supplies reports, data, videotapes and other information to the group in order to educate them and to ascertain if a BID is the correct vehicle for the situation. City Clerk staff assistance is also provided in the form of presentations and on-site meetings. If a BID is determined to be appropriate, the process continues.

2. The available finances to fund the preliminary stages of BID formation are explored. If the proponent group is undercapitalized, City funding may be requested and the process as outlined in the City's BID Policy document is generally followed. If the proponent group possesses sufficient capital, a consultant may be hired directly by the proponent group. Alternately, costs may be shared between the City and the proponent group.

Note that the main functions of a consultant are: to organize the proponent group and business community by using statistical, research and marketing techniques and strategies including focus groups, questionnaires, telephone surveys and community information meetings; to quantify, prioritize, prepare and present a documented array of services, activities, programs and improvements including a range of associated costs; to construct a membership database of the proposed BID members; to design an appropriate assessment formula; to identify key stakeholders and recommend individuals capable and willing to serve in an Advisory Board capacity; to develop a nonprofit management entity as necessary to manage affairs of the established district including performing incorporation procedures as required; and, to package the project for delivery to the City Clerk's Office. In addition, many community organizations find it prudent to retain professional services after the BID is established in order to guide the fledgling district and service provider through its initial operating stages.

If the proponent group is undercapitalized but does not wish to receive support funding, it is of course possible to form a district without a hired consultant. In this situation, the group must perform the focus group interviews, the telephone and mail surveys, the prioritizing of proposed BID projects, the cost estimates, the RFP process for security and maintenance cost identification, the database development and the budget construction. In order to successfully complete these steps without a consultant, the group should be well-organized and at some stage of consensus regarding the overall project objectives. The group will receive

guidance from staff in each of these areas. In this scenario, City Clerk staff members may serve informally as the consultant and assist with the tasks as outlined.

The consultant (or the proponent group), subsequent to achieving a basic consensus and support for the new BID, then performs the required field work and obtains supporting petitions from those who would pay the assessment: at least 15% of the business owners or more than 50% of the property owners must sign supporting petitions; these petitions become part of the preliminary package.

3. The proposed package is presented to the City Clerk's Office for plan evaluation and technical review. The work program, the schedule of activities, the ratio of expenses to service activities allocations, the budget, and the assessment methodology are reviewed in the Special Assessments Unit. Verification of petitions is also performed at this time. Legal issues are discussed with the City Attorney. Normally, certain programs, activities, budget elements and the contents of the management plan are negotiated and modified during this review. After the review is completed and the package is recommended for approval, City Clerk staff prepare a report which summarizes key points and outlines the procedural steps required to consider establishment. City Clerk staff members finalize information within the district database and prepare the required attachments which, in conjunction with the Department's report, introduce the proposed project to the City Council and related Committees. The legislative hearing process is then scheduled and initiated.

STAGE TWO: ESTABLISHMENT

The procedures and activities related to establishment of a BID are largely legislative in nature. Numerous types of statutory deadlines and City requirements must be adhered to. During the public hearing process, the proponent group continues to maintain the momentum which resulted in the completion of Stage One. Key stakeholders are frequently canvassing the businesses or property owners in the proposed BID to ensure a positive response to the City Council hearings and, if applicable, a return of the ballots which are required for property based districts.

STAGE THREE: ADMINISTRATION

After the City Council establishes a BID, an administration agreement, entered into between the City and the BID's operating entity (owners' association), must be entered into in order for the owners' association to administer and implement the services and activities of the BID.

6.2 Exhibit 2 – June 2014 Emails⁵

⁵I apologize for the fact that these emails are not individuated and that they're in reverse chronological order. This is how they were supplied to me and I could not think of a workable way to refactor them.



Rick Scott <rick.scott@lacity.org>

Fwd: Ocean Front Walk BID

Miranda Paster <miranda.paster@lacity.org>
To: Rick Scott <rick.scott@lacity.org>
Cc: "Hinkson, Rosemary" <rosemary.hinkson@lacity.org>

Fri, Jun 27, 2014 at 5:31 PM

fyi

----- Forwarded message -----

From: **Miranda Paster** <miranda.paster@lacity.org>
Date: Fri, Jun 27, 2014 at 5:30 PM
Subject: Re: Ocean Front Walk BID
To: Carl Lambert <carl@lambertinc.com>
Cc: Mark Sokol <mark@mphotel.com>, Debbie DynerHarris <debbie.dynerharris@lacity.org>, mark grant <mark.grant@lacity.org>

Hello.

I can not speak to Don's availability. However, it seems that what you are asking is for the consultant to do the calculations or job that he or another consultant would do with the BID proponents via contract.

The next steps required by the City Clerk to obtain matching funds is as follows:

- 1) Submit the information petition with at least 30% petition level
- 2) Set up a meeting with the BID proponents to show property owner support and invite us.
- 3) BID Proponents Request the Ccl Office and City Clerk move forward with the motion.
- 4) BID Proponents obtain and provide matching funds to City Clerk.
- 5) City Clerk will work with BID Proponents and release a Request For Proposals
- 6) BID proponents and City Clerk interview responding qualified consultants
- 7) City Clerk execute contract with selected consultant
- 8) Consultant begins working with you to begin BID establishment process

If we are not providing matching funds, then

- 1) BID proponents obtain money for consultant
- 2) BID proponents interview, hire and execute contract with the consultant
- 3) Consultant begins working with you to begin BID establishment process

On Fri, Jun 27, 2014 at 4:47 PM, Carl Lambert <carl@lambertinc.com> wrote:

I have reached out to Don Duckworth and had no response. Are there other consultants that can help up do the math and guide the process? Carl

From: Mark Sokol [mailto:mark@mphotel.com]
Sent: Friday, June 27, 2014 4:45 PM
To: Debbie DynerHarris
Cc: Carl Lambert
Subject: Ocean Front Walk BID

Hi Debbie,

Hope you are well. What are the next steps to move the BID forward?

Please let me know if I can assist.

Thanks,

Mark Sokol

310.396-8464 Dir



From: Carl Lambert [mailto:carl@lambertinc.com]

Sent: Thursday, June 12, 2014 4:49 PM

To: duckworth.donald@gmail.com; Debbie DynerHarris

Cc: Anthony O'Carroll (aocarroll@nsbinc.com); Brad Neal; Mark Sokol (marksokol@hotmail.com); Mark Sokol (mark@mphotel.com); Brian Dror; Bryan Dror

Subject: Meeting Friday Ocean Front Walk BID Signed petitions.

Everyone,

We have received petitions from about 70-80% of the owners on the Boardwalk and adjacent Commercial lots. Can you meet with Debbie tomorrow at 4PM to discuss funding?

Let us know. Thanks,

Carl J. Lambert

President

Lambert Investments, Inc.

5 Westminster Avenue, Suite 118

Venice, California 90291

(310) 453-9656

Fax (310) 829-6288

Cell (310) 663-6030

Carl@Lambertinc.com

BRE 00860625

From: Debbie DynerHarris [mailto:debbie.dynerharris@lacity.org]
Sent: Thursday, June 12, 2014 4:38 PM
To: Carl Lambert
Subject: Re: Ocean Front Walk BID Signed petitions.

I can do tomorrow late afternoon, like 4 or 4:30 but next Thursday is out- we have an all day staff retreat. and I am gone the entire week following. any other times next week if tomorrow doesn't work for you?

On Thu, Jun 12, 2014 at 1:46 PM, Carl Lambert <carl@lambertinc.com> wrote:

Great ten of us will be there in an hour....

Just kidding. Tomorrow of next Thursday.

From: Debbie DynerHarris [mailto:debbie.dynerharris@lacity.org]
Sent: Thursday, June 12, 2014 1:44 PM
To: Miranda Paster
Cc: Carl Lambert

Subject: Re: Ocean Front Walk BID Signed petitions.

Carl, I am happy to meet with you and/or the others to discuss the funding issues as soon as you can. But please know that the Councilmember wants to do our part as soon as humanly possible!

On Wed, Jun 11, 2014 at 4:32 PM, Miranda Paster <miranda.paster@lacity.org> wrote:

Hello Carl.

I received them yesterday. Please ensure that you work with the Ccl office on your intentions, motion and funding. I will provide the office with the language for the motion after I learn of your intentions (Ocean front walk funding the full amount, or funding \$40,000 with \$40,000 from BID Program, or \$40,000 from CD 11).

Thank you.

On Wed, Jun 11, 2014 at 4:24 PM, Carl Lambert <carl@lambertinc.com> wrote:

Here are few more. Did you both get the 20 that I sent yesterday? Carl

Carl J. Lambert

President

Lambert Investments, Inc.

5 Westminster Avenue, Suite 118

Venice, California 90291

(310) 453-9656

Fax (310) 829-6288

Cell (310) 663-6030

Carl@Lambertinc.com

BRE 00860625

From: Debbie DynerHarris [mailto:debbie.dynerharris@lacity.org]

Sent: Wednesday, June 11, 2014 4:13 PM

To: Carl Lambert

Subject: Re: Ocean Front Walk BID Signed petitions.

quite impressive, though not a surprise

On Wed, Jun 11, 2014 at 3:47 PM, Carl Lambert <carl@lambertinc.com> wrote:

We have over 50 properties that have signed up. Not bad for 48 hours...

From: Debbie DynerHarris [mailto:debbie.dynerharris@lacity.org]

Sent: Wednesday, June 11, 2014 3:33 PM

To: Carl Lambert

Cc: Mark Sokol; Chad Molnar; Cecilia Castillo; mark grant; Clabe Hartley; ann@generalrealestate.net; sheumann@sidewalkent.com; jgoodfader@sidewalkent.com; dansinvenice@aol.com; Bryan Dror; ksbriski@aol.com; Jack V. Hoffmann; Mr. Albert Elzas; Anthony O'Carroll; BRIAN JOHNSON;

jweinstein@nsbinc.com; Erwin Sokol; HEIDI ROBERTS; Sris Sinnathamby; Brad Neal; Tony Bill; Scott Spector; bunge, Jose (bungejose@yahoo.com); Ottonel Popesco (ottonel.popesco@gmail.com); georgeb@anotek.com; Jeff Harris; Brian Dror; Alexandria; Rick Macaya (rickmacaya@westcapinc.com); Robert Seaver (manager@venicesuites.com); Newhouse, Michael R.; Donna Lasman (donnalasman@sbcglobal.net); Catherine Chevalier (catherine@notmaurice.com); VeniceAleHouse (tom@venicealehouse.com); The AK Hotel Team; Lance Robbins; David Fradin; Laurie Holyoake; Alex
Subject: Re: Ocean Front Walk BID Signed petitions.

That is fantastic! I will send this on to Miranda right away,

Debbie

On Wed, Jun 11, 2014 at 3:20 PM, Carl Lambert <carl@lambertinc.com> wrote:

Everyone, we have a majority of owners in favor of a BID. Thanks for everyone's prompt response. The attached petitions comprise about 30 lots. Some are entire blocks. We are now ready for the next step. Thanks, Carl

Please sign and return the attached petition in support of the bid. Please get another signature or two. If you have any questions, please give me a call or send me an email. A scan or fax is fine. Thanks for everyone's support.

Carl

Carl J. Lambert

Attorney At Law

Carl@Lambertinc.com

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Venice, California 90291

(310) 453-6030 FAX (310) 829-6288

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From: Donald Duckworth [<mailto:duckworth.donald@gmail.com>]

Sent: Tuesday, June 10, 2014 1:09 AM

To: Debbie DynerHarris

Cc: Carl Lambert; Mike Bonin; Miranda Paster
Subject: Re: Ocean Front Walk BID

It was my pleasure Debbie. I am a big Mike Bonin supporter and believe that the BID vehicle offers him a great path to progress in CD11. A "Venice Boardwalk BID" is way past due and offers promise for all. I'm happy to help in any way that I can.

Attached is the informal petition form I agreed to draft for Carl and the other stakeholders present. If five (5) proponents copy this form and get 10 business / property owner signatures each, that would be 50 signatures, which would surely impress Miranda Paster and the City of the seriousness of the Venice BID formation effort.

Let me know as I can assist further.

On Mon, Jun 9, 2014 at 5:16 PM, Debbie DyerHarris <debbie.dynerharris@lacity.org> wrote:

Hi Don. Thanks so much for coming out this morning. Mike and I greatly appreciate your time and energy. I think there is some actual movement forward!

Debbie

On Fri, Jun 6, 2014 at 10:57 PM, Debbie DyerHarris <debbie.dynerharris@lacity.org> wrote:

that's great, thanks. Mike will be thrilled. have a great weekend,

Debbie

On Fri, Jun 6, 2014 at 10:47 PM, Donald Duckworth <duckworth.donald@gmail.com> wrote:

Thanks Debbie. I'll be there for you guys. I'm out of town this weekend so couldn't respond quickly.

On Jun 6, 2014 6:16 PM, "Debbie DyerHarris" <debbie.dynerharris@lacity.org> wrote:

Hi Don, I haven't heard back from you and wondered if you'll be able to join us on Monday morning?

Thanks,

Debbie

On Thu, Jun 5, 2014 at 9:31 AM, Debbie DyerHarris <debbie.dynerharris@lacity.org> wrote:

Hi Don. I hope all is well. The Councilmember is hosting several property owners and business owners along Ocean Front Walk in Venice at a meeting this Monday, June 9, to discuss creating a BID. He was wondering if you'd be able to attend, to help answer any questions on the creation and operation of a BID, and providing your insight. We will be joined by Miranda Paster of the City Clerk's office, as well as the founding director and the current president of Central City East's BID.

I am sorry for the late notice, we've been trying to develop our agenda. It will be held this Monday, June 9, at 9:45am in our Westchester community room. I hope you can make it!

Thanks,
Debbie



Debbie Dyner Harris
District Director
Councilmember Mike Bonin
City of Los Angeles
310-575-8461 | www.11thdistrict.com



Sign Up for Mike's Email Updates

Download the City of Los Angeles MyLA311 app for smartphones!



MyLA311 links Angelenos with the services and information they need to enjoy their city, beautify their community and stay connected with their local government. With MyLA311, City of Los Angeles information and services are just a few taps away.



Debbie Dyner Harris
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Debbie Dyner Harris
District Director
Councilmember Mike Bonin
City of Los Angeles

6.3 Exhibit 3 – September 30, 2014 Tara Devine email to Miranda Paster



Rick Scott <rick.scott@lacity.org>

Fwd: Venice Beach BID issues

Miranda Paster <miranda.paster@lacity.org>
To: Rick Scott <rick.scott@lacity.org>
Cc: "Hinkson, Rosemary" <rosemary.hinkson@lacity.org>

Wed, Oct 1, 2014 at 8:18 AM

Good Morning.

Can we discuss the issues below? Can you attend the meeting today at 10 am?

Thanks.

----- Forwarded message -----

From: Tara Devine <tara@devine-strategies.com>
Date: Tue, Sep 30, 2014 at 5:19 PM
Subject: Venice Beach BID issues
To: Debbie DyerHarris <debbie.dynerharris@lacity.org>, Miranda Paster <Miranda.Paster@lacity.org>
Cc: Mark Sokol <mark@mphotel.com>, Carl Lambert <carl@lambertinc.com>, sheumann <sheumann@sidewalkent.com>

Here is a list of discussion items for tomorrow's meeting. The first 3-4 items are directed more so toward the Clerk; the last two are more so for CD11. I suggest we start with the first four in the event that Miranda needs/wants to leave our conversation before we address the others.

I've also attached a zoning map of the area that we can use in tomorrow's discussion (I will bring a large-scale copy for discussion purposes.) Miranda - if you end up conferencing in, having the attached map will be helpful.

- 1) Venice's residential is all R3 or RD1.5. Any BID in Venice will be surrounded on multiple sides by residentially-zoned land. Furthermore, Venice has a significant amount of non-conforming uses; there are solely residential uses on commercially-zoned land; there are also solely commercial uses on residentially-zoned land. Some commercial and/or residential uses on residentially-zoned land would like to be part of the BID. In addition, residents/resident homeowners who are surrounded on two or more sides by a proposed BID may be especially concerned that the BID will push problems into the residential areas.
- 2) Because the City owns most of Ocean Front Walk (in addition to some other parcels) the City is almost certain to be the largest owner in the proposed district. Will this impact petition and ballot thresholds? How?
- 3) We are in a great position to form for Council adoption in June 2016 and start of services on 1/1/17. Would the City support/process the BID for a 7/1/16 start of services if we are able to submit our MDP/ER next spring, and complete petition and ballot stages by late 2015?
- 4) There is confusion even at the City over the ownership for some OFW parcels. How do we accelerate investigation of the ownership? If the City leases, operates, or has improved upon state or federal land, will they pay the assessment for those parcel(s)? We cannot service parcels that do not pay assessments (e.g. most state and federal parcels.)
- 5) Many BIDs in LA represent commercial corridors surrounded by residential. Venice has multiple commercial corridors (connectivity between commercial areas varies significantly - both in terms of physical connectivity/walkability/similar uses and in property owner relationships/differing users.) We do not propose to include all commercial corridors in Venice; we want to discuss our preliminary ideas about boundaries with the council office.
- 6) What outreach (beyond property owners in the proposed BID) is desired/expected by the council office? How, when, to whom?

Tara

--

6.4 Exhibit 4 – September 30, 2014 Miranda Paster weekly report on NABID activities

**CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE**

DATE: September 30, 2014

TO: Holly L. Wolcott, City Clerk

FROM: Miranda Paster, Chief
Neighborhood and Business Improvement District Division

SUBJECT: SEPTEMBER 30, 2014 WEEKLY REPORT

Neighborhood and Business Improvement Districts BID Analysts prepared templates for the Annual Planning Reports with a November 1, 2014 submission date.

Neighborhood and Business Improvement Districts staff collected information relative to the motion regarding a report of BID best practices for the cities of Los Angeles, San Francisco, Oakland, San Diego, Chicago, Pittsburgh and New York City by December.

Neighborhood and Business Improvement Districts – Staff met with the consultant for the Gateway to LA business improvement district renewal to review the first draft of the Management District Plan and Engineer’s report.

Neighborhood and Business Improvement Districts – Staff met with the proponents for the proposed Venice Beach Board Walk business improvement district.

Neighborhood and Business Improvement Districts – Staff attended the Weekly Executive meeting and Quarterly Division Manager Meeting.

Neighborhood and Business Improvement Districts Staff reviewed the Management District Plan and Engineer’s report for the Sherman Oaks Business Improvement District renewal.

Neighborhood and Business Improvement Districts Technical Research Unit reviewed database submissions for the merchant-based business improvement districts and continue to prepare the calculations for the refund of the old Arts District Assessments.

Annual Planning Reports: 1 of 27 reports awaits Board approval of substantial revisions.

6.5 Exhibit 5 – August 17, 2015 Miranda Paster weekly report on NABID activities

AUGUST 17, 2015 WEEKLY REPORT

Neighborhood and Business Improvement Districts:

On August 17, 2015, Council adopted the Ordinance of Establishment for the Los Angeles Tourism Marketing District Business Improvement Districts.

On August 17, 2015, staff met with CD 12 staff relative to the Chatsworth Business Improvement District and insurance requirements.

Staff met with CD 15 staff relative to discussions of a potential business improvement district on Gaffey Street in the San Pedro area of the City.

Staff continues to reconcile assessment data with the county Assessor's Office for the 2016 assessments.

On August 19, 2015, staff attended the N&BID Executive Meeting.

Staff met with the consultant for the proposed Venice Beach Business Improvement District to review the Management District Plan and Engineer's Report.

6.6 Exhibit 6 – Venice Beach Property Owners Association registration⁶

⁶I obtained this via the [California Secretary of State's corporation search tool](#), but I can't figure out how to link directly into searches.

Business Entity Detail

Data is updated to the California Business Search on Wednesday and Saturday mornings. Results reflect work processed through Friday, September 16, 2016. Please refer to [Processing Times](#) for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity.

Entity Name:	VENICE BEACH PROPERTY OWNERS ASSOCIATION
Entity Number:	C3894028
Date Filed:	04/06/2016
Status:	ACTIVE
Jurisdiction:	CALIFORNIA
Entity Address:	8 HORIZON AVENUE
Entity City, State, Zip:	VENICE CA 90291
Agent for Service of Process:	STEVEN M HEUMANN
Agent Address:	8 HORIZON AVENUE
Agent City, State, Zip:	VENICE CA 90291

* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code [section 2114](#) for information relating to service upon corporations that have surrendered.
- For information on checking or reserving a name, refer to [Name Availability](#).
- For information on ordering certificates, copies of documents and/or status reports or to request a more extensive search, refer to [Information Requests](#).
- For help with searching an entity name, refer to [Search Tips](#).
- For descriptions of the various fields and status types, refer to [Field Descriptions and Status Definitions](#).

6.7 Exhibit 7 – September 17, 2016 Dyner Harris email stating names of POA Board members

Re: CPRA request (CD11.2016.08.31.a)

From: Debbie Dyner Harris <debbie.dynerharris@lacity.org>
To: [REDACTED]
Cc: Laura McLennan <laura.mclennan@lacity.org>
Subject: Re: CPRA request (CD11.2016.08.31.a)
Date: Saturday, September 17, 2016 11:34 AM
X-Delivered-To: [REDACTED]
Size: 15 KB

The three are Steve Heumann, Carl Lambert and Mark Sokol.

On Tue, Sep 13, 2016 at 9:42 AM, [REDACTED] wrote:

Good morning, Laura.

I'm just wondering what the status of this request is.

Thanks,

On Wed, Aug 31, 2016, at 09:31 AM, [REDACTED] wrote:

> Good morning, Laura.

>

> I would like to see sufficiently many records to allow me to determine
 > who "the three board members" of the Venice Beach POA are. If you would
 > just like to tell me their names I can withdraw this request. If you
 > don't personally know, I'm certain that Debbie Dyner-Harris does (which
 > is why I'm cc-ing her here). On July 12, 2016 she asked Tara Devine for
 > permission to reveal their names.

>

> thanks for all your help,

>

>

Logo5-web.png

Debbie Dyner Harris
District Director
 Councilmember Mike Bonin
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6.8 Exhibit 8 – City-owned parcels and assessments in the VB-BID⁷

⁷This is page 34 of the Management District Plan for the VBBID, prepared and submitted to the City by consultant Tara Devine. The entire document is available here: [VBBID Management District Plan](#).

Government Owned Parcels within District Boundaries

Zone	APN	Parcel Address	Property Owner	Use	Assessed for DI/SP?*	% of lot assessed? **	Parcel Assessment	% Ownership
Zone 1	4288029900	NONE	CITY OF LOS ANGELES	PUBLIC PARK / BEACH	NO	0%	\$1,074.75	0.06%
Zone 1	4226001900	26 W MARKET ST	L A CITY	PUBLIC PARK / BEACH	NO	67%	\$51,978.98	2.81%
Zone 1	4226001901	NONE	L A CITY	PUBLIC PARK / BEACH	NO	20%	\$30,484.93	1.65%
Zone 1	4226002900	2300 OCEAN FRONT WALK	L A CITY	PUBLIC PARK / BEACH	NO	25%	\$71,432.90	3.86%
Zone 1	4238014900	1608-1610 S PACIFIC AVE	L A CITY	VACANT/COMMERCIAL	YES	100%	\$7,440.29	0.40%
Zone 1	4238024900	2102 S PACIFIC AVE	L A CITY	PUBLIC PARKING	YES	100%	\$16,166.65	0.87%
Zone 1	4238024902	128 E VENICE BLVD	L A CITY	PUBLIC PARKING	YES	100%	\$8,215.66	0.44%
Zone 1	4238024903	206 N VENICE BLVD	L A CITY	PUBLIC PARKING	YES	100%	\$2,943.42	0.16%
Zone 1	4238024905	216 E VENICE BLVD	L A CITY	PUBLIC PARKING	YES	100%	\$2,629.74	0.14%
Zone 1	4238024906	302 E VENICE BLVD	L A CITY	PUBLIC PARKING	YES	100%	\$1,314.87	0.07%
Zone 1	4238024907	319 E SOUTH VENICE BLVD	L A CITY	PUBLIC PARKING	YES	100%	\$24,976.40	1.35%
Zone 1	4238024908	2106 S CANAL ST	L A CITY	PUBLIC PARKING	YES	100%	\$4,069.87	0.22%
Zone 1	4238024909	NONE	L A CITY	PUBLIC PARKING	YES	100%	\$703.20	0.04%
Zone 1	4238024910	210 N VENICE BLVD	L A CITY	PUBLIC PARKING	YES	100%	\$1,314.87	0.07%
Zone 1	4238024911	125 S VENICE BLVD	L A CITY	CANAL ACCESSWAY	NO	100%	\$4,456.56	0.24%
Zone 1	4238025901	NONE	L A CITY	PUBLIC PARKING	YES	100%	\$4,073.60	0.22%
Zone 1	4238025902	NONE	L A CITY	PUBLIC PARKING	YES	100%	\$22,171.43	1.20%
Zone 1	4238025903	NONE	L A CITY	PUBLIC PARKING	YES	100%	\$6,582.00	0.36%
Zone 1	4286027902	NONE	L A CITY	PUBLIC PARK / BEACH	NO	20%	\$17,050.35	0.92%
Zone 1	4286028902	NONE	L A CITY	PUBLIC PARK / BEACH	NO	5%	\$13,038.98	0.70%
Zone 1	4286029902	NONE	L A CITY	PUBLIC PARK / BEACH	NO	10%	\$17,922.96	0.97%
Zone 1	4286030903	NONE	L A CITY	PUBLIC PARK / BEACH	NO	60%	\$26,849.63	1.45%
Zone 2	4238018900	NONE	L A CITY	PUBLIC PARKING, LIBRARY	NO	100%	\$62,098.43	3.35%
Zone 2	4238002900	1234 S PACIFIC AVE	L A CITY	DOG PARK / SENIOR CTR	NO	100%	\$27,614.22	1.49%
			L A CITY TOTAL				\$426,604.68	23.04%
Zone 2	4238002902	1010 ABBOT KINNEY BLVD	L A UNIFIED SCHOOL DIST	WESTMINSTER ELEMENTARY	n/a	n/a	\$24,020.88	1.30%
			L A UNIFIED SCHOOL DIST TOTAL				\$24,020.88	1.30%
Zone 2	4286015900	100 SUNSET AVE	LACMTA	BUS MAINTENANCE & STORAGE YARD	NO	100%	\$35,933.09	1.94%
			LACMTA TOTAL				\$35,933.09	1.94%
Zone 1	4226001902	NONE	STATE OF CALIF	PUBLIC PARK / BEACH	NO	100%	\$10,409.51	0.56%
Zone 1	4226001903	1502-1522 S OCEAN FRONT WALK	STATE OF CALIF	PUBLIC PARK / BEACH	NO	100%	\$20,722.86	1.12%
Zone 1	4288029909	120 OCEAN FRONT WALK	STATE OF CALIF	PUBLIC PARK / BEACH	NO	0%	\$5,091.40	0.27%
Zone 1	4288029910	NONE	STATE OF CALIF	PUBLIC PARK / BEACH	NO	0%	\$750.58	0.04%
Zone 1	4288029916	NONE	STATE OF CALIF	PUBLIC PARK / BEACH	NO	0%	\$0.00	0.00%
Zone 1	4288029906	NONE	STATE OF CALIF	PUBLIC PARK / BEACH	NO	0%	\$0.00	0.00%
Zone 1	4288029914	NONE	STATE OF CALIF	PUBLIC PARK / BEACH	NO	0%	\$333.89	0.02%
			STATE OF CALIF TOTAL				\$37,308.23	2.01%
			ALL PUBLICLY OWNED PARCELS				\$523,866.88	28.29%

6.9 Exhibit 9 – City Clerk’s initial report on Venice Beach BID

City of Los Angeles

CALIFORNIA

HOLLY L. WOLCOTT
CITY CLERK

SHANNON D. HOPPE
EXECUTIVE OFFICER



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

NEIGHBORHOOD AND BUSINESS
IMPROVEMENT DISTRICT DIVISION
200 N. SPRING STREET, ROOM 224
LOS ANGELES, CA 90012
(213) 978-1099
FAX: (213) 978-1130

MIRANDA PASTER
DIVISION MANAGER

clerk.lacity.org

June 24, 2016

Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council District 11

REGARDING: VENICE BEACH BUSINESS IMPROVEMENT DISTRICT
(PROPERTY BASED)

Honorable Members:

The City Clerk has received materials relative to the formation of a proposed property and business improvement district to be called the Venice Beach Business Improvement District ("District"). The District would be formed pursuant to the provisions of the Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California).

This report shall serve as the Preliminary Report of the City Clerk. Attached to this report are: 1) the Management District Plan, which details the improvements and activities to be provided and serves as the framing document for the proposed District; 2) a detailed Engineer's Report prepared by a registered professional engineer certified by the State of California, which supports the assessment contained in the Management District Plan; and 3) a draft Ordinance of Intention, approved as to form and legality by the City Attorney's Office.

BACKGROUND

The District is being established in accordance with the provisions of the Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California) ("State Law"), which allows for the establishment of

a district in which operations would be supported by revenue collected from property owners in the district.

The proposed District programs include, but are not limited to the following: Clean and Safe Programs, District Identity and Special Projects, and Administration and Management.

PRELIMINARY PETITIONS

In order to proceed with the establishment process under the State Law, the proponent group needed to secure written support for the project in the form of petitions signed by property owners who will pay more than 50 percent of the assessments proposed to be levied. The consulting firm for the proposed District, Devine Strategies, has presented to the Office of the City Clerk a set of petitions that support the formation of the proposed District. This Office has verified the validity of the petitions using various City and County of Los Angeles sources. In addition, this Office has verified the accuracy of the assessment calculations.

The petitions received indicate affirmative financial support of the project in an amount equivalent to \$968,902.69. This represents 52.31 percent of the proposed District's projected first year revenue of \$1,871,119. Because the more than 50 percent threshold of preliminary support has been achieved, the formal business improvement district establishment process, including a public hearing before the City Council, may be initiated.

PROPOSED DISTRICT BOUNDARIES

The boundaries of the proposed Venice Beach area are as detailed in the Management District Plan. A general description of the boundaries of the proposed District is as follows: The western boundary is geographically determined by the Venice public beach and the Pacific Ocean, and consists of government owned parcels, excluding beach/sand; the southern boundary generally coincides with South Venice Blvd.; the eastern boundary is very irregular and follows along northward to include commercial and industrial zoned parcels, excluding parcels zoned solely residential to Marine Ct., then south along commercial and industrial zoned parcels to Horizon Ct., then north along Speedway and Ocean Front Walk; and the northern boundary is Barnard Way at the City limit. There are two benefit zones separated by Westminster Ave. between Riviera Ave. and Pacific Ave., and the western edge of APN 4238018900 between Mildred Ave. and South Venice Blvd. All parcels zoned solely residential are excluded from the proposed District.

There are 464 parcels owned by 349 stakeholders in the proposed District. The map included in the District's Management District Plan gives sufficient detail to locate each parcel of property within the proposed District.

DISTRICT RENEWAL AND PROPOSITION 218 COMPLIANCE

Article XIID of the California Constitution (Proposition 218) requires, among other things, that the City Council: 1) identify all parcels that will have a special benefit conferred upon them and upon which assessments will be imposed; 2) determine the proportionate special benefit derived by each identified parcel in relation to the entirety of the capital cost of the property related service; 3) not impose an assessment on a parcel which exceeds the reasonable cost of the proportional benefit conferred on that parcel; 4) assess only for special benefits and separate the general benefits from the special benefits conferred on a parcel; 5) assess all publicly owned parcels unless City Council finds, by clear and convincing evidence, that those publicly owned parcels receive no special benefit; and 6) find that all assessments are supported by a detailed Engineer's Report prepared by a registered professional engineer certified by the State of California. The City Clerk has read and approves the Engineer's Report included herewith, as supporting the assessments contained in the Management District Plan and, in addition, includes facts, which would support City Council findings relative to items 1 through 6 above. The City Clerk has read and approves the Management District Plan.

Proposition 218 also includes certain notice, protest and hearing requirements. Those requirements are codified in the Proposition 218 Omnibus Implementation Act ("Act") (California Government Code Section 53750 et seq.). This report recommends that the City Council direct the City Clerk to comply with the Act. Establishment of the proposed District is contingent upon the City's receipt of a weighted majority of financially supportive ballots as submitted by the affected property owners. The City Clerk will tabulate the ballot returns and will report the results to the City Council.

EXEMPTION UNDER PROPOSITION 26

On November 2, 2010, voters in the State of California passed Proposition 26, which broadened the definition of taxes and which require approval by two-thirds of each house of the Legislature or by local voter approval. However, Article XIIC §1(e)(7) of the California Constitution states that "assessments and property-related fees imposed in accordance with the provisions of Article XIID are exempt." As previously stated, the proposed District is being established in accordance with Article XIID of the California Constitution and is therefore exempt from Proposition 26.

PROPOSED IMPROVEMENTS AND PROGRAMS

The District is expected to generate \$1,871,119.00 annually over a five-year period with a maximum five percent (5%) increase per year. Any adjustment will be included in the Annual Planning Report submitted for Council consideration. The revenue will be utilized to fund the proposed District's improvements and activities that include, but are not limited to: Clean and Safe Programs, District Identity and Special Projects, and Administration and Management.

Improvements and activities are services which will be provided to supplement the services already provided by the City of Los Angeles and will not supplant City services. The Owners' Association may contract with third party vendors to perform and complete

District improvements and activities and uphold to City and State regulations where applicable. The proposed improvements and activities are completely separate from the day to day operations of the City of Los Angeles and the City is not involved with selection of the District's vendors.

ASSESSMENT FORMULA AND DISBURSEMENTS

The District's proposed assessment formula is an allocation of program costs as described in the attached Management District Plan based upon a calculation of assessable footage. Three property assessment variables, lot square footage, building square footage and linear front footage will be used in the assessment calculation. In addition, two benefit zones as described in the Management District Plan with differing rates depending on type and frequency of special benefit services provided for properties in each zone.

The City Clerk will arrange to have the proposed District's assessments included as a line item on the property tax bills prepared and distributed by the County of Los Angeles. If necessary, this Office will directly bill property owners or entities that do not appear on the tax roll. The County will subsequently transfer assessment revenue to the City. Assessment revenue will be held in trust by the City and will be disbursed through installments to the District to support authorized District improvements and activities.

CONTRACTING WITH OWNERS' ASSOCIATION

Upon the establishment of the District, State law requires that the City enter into an agreement with a non-profit corporation to serve as the Owners' Association for the administration of the District. City policy dictates that competitive bidding requirements are to be met when contracting. However, Charter section 371(e)(2) and 371(e)(10) provides exceptions to the competitive bidding requirements, and states, in relevant part, that the competitive bidding process does not apply to contracts "where the contracting authority finds that the use of competitive bidding would be undesirable, impractical or impossible or where the common law otherwise excuses compliance with competitive bidding requirements."

Upon establishment of the District, the City Clerk will contract with Venice Beach Property Owners' Association to manage the District on a day-to-day basis.

ASSESSABLE CITY PROPERTY

There are twenty-four (24) City-owned parcels within the District. The total assessment for the City-owned properties within the District is \$426,604.68, representing 23.04 percent of the total assessments levied in the District.

Further, there are seven (7) State-owned parcels within the District to which the City holds a long-term lease and controls pursuant to the agreement signed in 1948, and 1998 correspondence between the State and City agreeing to continue the relationship until such time new leases are in place. The total assessment for these State-owned

properties within the District is \$37,308.23, representing 2.01 percent of the total assessments levied in the District.

If the City assumes the assessments for the state-owned parcels, its representation will increase to 25.05 percent of the total assessments levied in the District, and the total assessment that will be charged to the City is \$463,912.91 for the first year, with a possible 5 percent annual increase.

FISCAL IMPACT

Funding for assessments levied on the City-owned properties within the District and for the general benefit, as described below, were included in the Unappropriated Balance for FY 2017.

Proposition 218 requires the separation of general benefits from the special benefits. The general benefit portion for the Venice Beach Business Improvement District is \$18,711.00 for the first year. However, funds other than assessment revenue must be budgeted annually for the general benefit expense, and each year thereafter for the remaining years of the BID's five-year term.

RECOMMENDATIONS

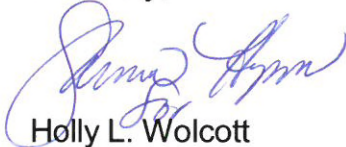
1. FIND that the petitions submitted on behalf of the proponents of the proposed Venice Beach Business Improvement District are signed by property owners who will pay more than fifty (50) percent of the assessments proposed to be levied.
2. FIND that all parcels included in the District will receive a special benefit from the improvements and activities that are to be provided.
3. FIND that all parcels that will have a special benefit conferred upon them and upon which an assessment would be imposed are those as identified in the Management District Plan.
4. FIND that in accordance with Article XIID of the California Constitution all assessments are supported by the Engineer's Report, prepared by a registered professional engineer certified by the State of California.
5. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, the assessment levied on each parcel within the proposed District is proportionate to the special benefit derived from the improvements and activities that are to be provided.
6. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, the Engineer has separated the general from special benefits. The Engineer's Report identified general benefits in the amount of 1.0 percent to be separated from the

special benefits conferred on parcels within the proposed District. The yearly general benefits cost must be paid from funds other than the assessments collected for the Venice Beach Business Improvement District. The general benefit cost for first year of operation is \$18,711.00.

7. FIND that the City shall pay the assessment levied on seven (7) State-owned parcels within the District, which the City controls and for which it holds a long-term agreement. The special benefit cost for the first year of operation is \$37,308.23.
8. FIND that clear and convincing evidence exists to exempt some publicly owned parcels from assessment.
9. FIND that the assessments for the proposed District are not taxes and that the District qualifies for exemption from Proposition 26 under exemption 7 of Article XIII C §1(e).
10. FIND that the services provided by the Owners' Association are in the nature of professional, expert, technical or other special services, that the services are of a temporary and occasional character, and that the use of competitive bidding would be impractical, not advantageous, undesirable or where the common law otherwise excuses compliance with competitive bidding requirements.
11. FIND that the proposed improvements and activities are completely separate from the day to day operations of the City of Los Angeles.
12. APPROVE Venice Beach Property Owners' Association to serve as the Owners' Association to administer the Venice Beach Business Improvement District if the District is renewed.
13. ADOPT the Preliminary Report of the City Clerk.
14. ADOPT the attached Management District Plan.
15. ADOPT the attached Engineer's Report.
16. ADOPT the attached Ordinance of Intention to establish the Venice Beach Business Improvement District.
17. AUTHORIZE the City Clerk to prepare, execute and administer a contract between the City of Los Angeles and Venice Beach Property Owners' Association, a non-profit corporation, for the administration of the District's programs.
18. AUTHORIZE the Controller, upon establishment of the District, to establish a special trust fund within FMS entitled Venice Beach Business Improvement District and assign a new revenue source code, if needed, to this special fund.

19. AUTHORIZE the Controller to transfer \$482,623.91 from the FY 2017 Unappropriated Balance to the FY 2017 Business Improvement District Trust Fund 659.
20. DIRECT the City Clerk to comply with the notice, protest, and hearing procedures prescribed in the Proposition 218 Omnibus Implementation Act (California Government Code, Section 53750 et seq.).
21. REQUEST the City Attorney, with the assistance of the City Clerk, prepare an enabling Ordinance establishing the Venice Beach Business Improvement District for Council consideration at the conclusion of the required public hearing.
22. REQUEST the Department of Recreation and Parks and the Board of Public Works designate a liaison to coordinate with the City Clerk and prepare a baseline services agreement for the proposed Venice Beach Business Improvement District.

Sincerely,



Holly L. Wolcott
City Clerk

HLW:SDH:MCP:RMH:rm

Attachments:

Management District Plan
Engineer's Report
Agreement between the State of California and the City of Los Angeles
Ordinance of Intention