

Report to the Los Angeles City Ethics Commission on
why the process of renewing or establishing a business
improvement district in Los Angeles constitutes
lobbying activity

August 6, 2017

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¹Note that [blue text](#) indicates clickable links internal to this document whereas [green text](#) indicates clickable links to resources on the Internet.

1 Synopsis

1. Business improvement districts are special assessment districts that are, in Los Angeles, established via two ordinances passed by the City Council. These districts are overseen by the City Clerk's office. Groups that wish to form these districts typically hire consultants, who lobby the Clerk's office and the City Council in support of the establishment process. I argue that these consultants' work satisfies the definition of lobbying activity found in the Municipal Lobbying Ordinance and that, therefore, such consultants are required to register with the CEC if they are compensated for 30 hours of such activity over three consecutive months.

2 Background

2.1 Business improvement districts

2. A business improvement district ("BID") is a kind of special assessment district. In California BIDs are authorized and regulated by [the Property and Business Improvement District Law of 1994](#), found in the Streets and Highways Code at §36600 et seq.
3. The process for establishing a BID comprises the following steps:
 - (a) Property owners in the district submit petitions to the City Council.²
 - (b) If there are sufficiently many petitions, City Council passes "a resolution expressing its intention to form a district."³
 - (c) Next a management district plan ("MDP") must be prepared by the property owners who wish to form a BID. This must include detailed information about the boundaries of the proposed BID and what the assessments collected are to be spent on.⁴
 - (d) The MDP must include "[a] list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed."⁵
 - (e) Before approving the BID, the Council has discretion to rewrite the MDP in whole or in part, subject only to a very few limitations imposed by State law.⁶
 - (f) Subsequently the Council must hold a public hearing and then pass a resolution of formation, which may incorporate information from the MDP.⁷
4. BIDs are established for limited time periods, typically five years. On expiration they must be renewed. The renewal process is essentially the same as the establishment process as outlined above.

² See [Streets and Highways Code §36621\(a\)](#)

³ See [Streets and Highways Code §36621\(a\)](#)

⁴ See [Streets and Highways Code §36622](#).

⁵ See [Streets and Highways Code §36622\(k\)](#).

⁶ See [Streets and Highways Code §36624](#)

⁷ See [Streets and Highways Code §36625](#)

5. In Los Angeles the City Clerk’s office coordinates and oversees the establishment, renewal, and operation of BIDs. Every step of the process outlined above in [Paragraph 3](#) is carried out with the approval of the Clerk’s office.
6. In the City of Los Angeles BIDs typically hire consultants to help them complete the establishment/renewal process.

2.2 Lobbying

7. The Municipal Lobbying Ordinance at [LAMC §48.02](#) defines *Lobbying Activity* as:

... the following and similar compensated conduct when that conduct is related to a direct communication to influence any municipal legislation:

- (1) engaging in, either personally or through an agent, written or oral direct communication with a City official;
- (2) drafting ordinances, resolutions or regulations;
- (3) providing advice or recommending strategy to a client or others;
- (4) research, investigation and information gathering;
- (5) seeking to influence the position of a third party on municipal legislation or an issue related to municipal legislation by any means, including but not limited to engaging in community, public or press relations activities; and
- (6) attending or monitoring City meetings, hearings or other events.

3 BID consultancy and lobbying

3.1 The role of the BID consultant

8. BID consultants are typically hired by groups of property owners to guide them through the BID establishment/renewal process. The consultant organizes each of the steps in the process as described above in [Paragraph 3](#).
9. The City Clerk’s office publishes a timeline (“the guidelines”) for carrying out the establishment/renewal process. A copy of a very recent version can be found in [Exhibit 1](#) on page 9.
10. It is theoretically possible for a group of property owners to form a BID without hiring a consultant, although I am not aware of any cases of this happening. If it were to happen, though, the process would not constitute Lobbying Activity as defined in the MLO because it wouldn’t be compensated. Thus the argument I’m making, that BID consultancy constitutes lobbying activity, applies only to hired BID consultants.

3.2 Elements of the BID establishment/renewal process

3.2.1 It requires municipal legislation

11. The process of BID establishment/renewal (“the process”) requires the City Council to hold hearings and to pass two separate ordinances:⁸ the ordinance of intention and the ordinance of resolution. Both of these clearly constitute municipal legislation as defined in the Municipal Lobbying Ordinance (“MLO”) at §48.02. See [Paragraph 3b](#) and [Paragraph 3f](#) above.

3.2.2 It requires communication with City officials

12. According to the guidelines a number of items must be submitted to the Clerk’s office. See [Exhibit 1](#) on page 9. These include:
 - (a) The database. This is a detailed listing of properties in the BID including APNs.
 - (b) Drafts of the MDP.
 - (c) Petitions for BID formation (as described above in [Paragraph 3a](#)).

All of these items require discussion with staff in the Clerk’s office, and the discussion is for the purpose of influencing the municipal legislation described in [Section 3.2.1](#).

3.2.3 It requires drafting ordinances

13. The goal of the pre-petition stage of the process is to provide the Clerk’s office with a package for submission to City Council that supports each of the two ordinances required for establishment (as described in [the guidelines](#)). By State law the ordinances include the MDP and the database (see [Paragraph 3c](#) and [Paragraph 3d](#) above). Thus the process of writing the MDP and of compiling the database constitute drafting (parts of) the two ordinances.

3.2.4 It may include providing advice to clients

14. The guidelines mandate the formation of a Steering Committee “to guide BID formation/renewal activities.” If the BID consultant participates in the Steering Committee this would be providing advice to their clients about the process. As argued above in [Section 3.2.1](#), the point is to secure the passage of municipal legislation.

3.2.5 It requires research, investigation, and information gathering

15. As described above in [Paragraph 3c](#) and [Paragraph 3d](#), the process requires the compilation of a database including all the parcels to be included in the BID along with their APNs. This information is incorporated into the two ordinances described in [Section 3.2.1](#). Thus the process requires research, investigation, and information gathering in order to secure passage of municipal legislation.

⁸ The State law refers to these as “resolutions.” There doesn’t seem to be a difference.

3.2.6 It may include seeking to influence the opinion of a third party

16. The process begins with the submission of sufficiently many petitions to the City Council as described above in [Paragraph 3a](#) and [Paragraph 3b](#). Petitions in favor must be gathered by the proponent group with the guidance of the consultant. The consultant is expected to and does in fact contact property owners to encourage them to submit petitions in favor of establishment/renewal. This is described in the guidelines as a “[f]ollow up campaign to secure signed petitions equal to 50% plus \$1.00 of proposed assessment.” In practice this involves the consultant tracking down individual property owners and asking or convincing them to submit favorable petitions.

3.2.7 It may include attending or monitoring City meetings

17. There are at least four City meetings associated with the process. First, the ordinance of intention goes to committee with the Clerk’s recommendation to adopt. Second, the ordinance of intention goes before the full Council. Third, the full Council holds a hearing on the ordinance of establishment, and finally there is a public vote-counting event in the Clerk’s office. It is usual but probably not required for the consultant to attend all of these, give public comment, and be available to answer questions if there are any.

3.3 At least one registered lobbying entity already considers the process to be lobbying

18. Kosmont & Associates is a lobbying firm registered with the CEC. They acted as BID consultant for the Gateway to LA BID in 2015. Their contract (see [Exhibit 2](#) on page [12](#)) explicitly lists the services to be provided, which correlate closely with the steps described above in [Section 3.2](#). Here is a selection:

Task 1 Kosmont will continue working with the City Clerk’s office and Gateway’s engineer to achieve MDP and ER readiness in order for Petitions to be distributed. . . ⁹

Task 3 Coordination with the City Clerk’s office related to Ballot packages to be mailed to Gateway property owners by the Clerk’s office.

Optional Task 4 If desired by Client, Kosmont will provide support as needed to Gateway’s Executive Director as related to City Council Committee meetings and City Council public hearings pertaining to the adoption of the “Ordinance of Intention”

Optional Task 5 If desired by Client, Kosmont will provide support as needed to Gateway’s Executive Director to promote return of Petitions and/or Ballots by Gateway property owners. As necessary and directed by Gateway’s Executive Director meet with specific property owners within the PBID to explain the renewal

⁹ “ER” is the engineer’s report, a necessary component of the process that it wasn’t necessary to discuss in this report.

process and the PBID's benefits. Attend and speak at Gateway board meetings related to renewal, as requested.

19. Most importantly, Kosmont & Associates treated this project as lobbying and disclosed it on its 2015 filings with the CEC. Just for instance, see their Q2 2015 report ([Exhibit 3](#) on page 19), which lists the Clerk as one of the agencies lobbied in support of the renewal.

4 Conclusion

20. When carried out by a paid consultant, the BID establishment/renewal process satisfies all elements of the definition of lobbying activity found in [LAMC §48.02](#). Therefore any BID consultant who is compensated for 30 hours work over three consecutive months on the process is required to register as a lobbyist with the CEC.

5 Exhibits

5.1 Exhibit 1 – City of Los Angeles BID establishment/renewal guidelines

BID FORMATION (or RENEWAL) TIMELINE

For Property BID expiring on December 31, 2017 or new PBID beginning operation by January 1, 2018

Start to finish; Begin BID operation on January 1, 2018

2016

Month	Activity
February - March	Finalize dollars needed to complete renewal Hire consultant, if needed
March - June	Form Steering Committee to guide BID formation/renewal activities Commence informational sessions with property owners in potential BID boundary area
May - July	Decide boundaries of new BID Decide programs (security, maintenance, image, streetscape, administration) Decide budget Work on potential assessment formulas (front footage, building square footage, parcel size, etc.)
AUGUST 1, 2016	Submit 1st Draft of DATABASE to City Clerk for review and verification
	DATABASE Must contain, at minimum, 1) All APNs, 2) Property Owner Names, 3) Assessable measurements of property, and 4) Assessment calculations. CITY CLERK will review, verify, and approve all information in Database
AUGUST 15, 2016	Submit 1st Draft of MANAGEMENT DISTRICT PLAN to City Clerk for review
	MANAGEMENT DISTRICT PLAN Must contain, at minimum, the 1) Boundary description, 2) Boundary rationale, 3) Service Description, 4) Budget, 5) Benefit Zones, & 6) Assessment Methodology MANAGEMENT DISTRICT PLAN Must also contain other legal & procedural requirements CITY CLERK will review Management District Plan to ensure compliance with State Law NOTE: Revisions may be needed to ensure compliance with legal statutes
OCTOBER 1, 2016	Submit revised Management Plan and ENGINEER'S REPORT to the Office of City Clerk
	Finalize District Management Plan (boundaries, assessment formula, budget) Present finalized assessment roll to City Clerk who will audit/verify all parcel data <i>(all assessment data for all parcels including: formula, calculations, footages and assessment amounts must be verified and agreed to by the Technical Research Unit of the City Clerk's Special Assessment Section before petitions can be distributed.)</i>
DECEMBER 2016	Management District Plan & Engineer's Report APPROVED by City Clerk
	MANAGEMENT PLAN & ENGINEER'S REPORT MUST be approved prior to Petition Drive start date
2017	
Month	Activity
JANUARY 2017	START PETITION DRIVE
January - February	Mail out District Management Plan & START PETITION DRIVE Follow up campaign to secure signed petitions equal to 50% plus \$1.00 of proposed assessment REACH 50% PETITION THRESHOLD
March 1st	FINISH PETITION DRIVE: Submit final petitions to City Clerk
(No later than March 15th)	Request City Council to adopt an "Ordinance of Intention" to form a BID Management Plan, Engineer's Report, map and complete list of all stakeholders due to City Clerk. City Clerk verifies petition signatures and affirmative percentage.
March	City Clerk submits complete BID formation project summary report to City Council's Economic Development Committee (EDC). NOTE: EDC meets twice a month with a very limited time to hear agenda items
March	EDC will schedule and hold public hearings and recommend that Council adopt the Ordinance of Intention to begin the Proposition 218 election/formation process. EDC meets 2nd & 4th Tuesday.

BID FORMATION TIMELINE

For Property BID expiring on December 31, 2017

Start to finish; Begin BID operation on January 1, 2018

page 2

2017 (con't)

Month	Activity
April	<p><u>CITY COUNCIL STARTS PUBLIC HEARING PROCESS</u></p> <p>City Council review and approval of EDC recommendations:</p> <ol style="list-style-type: none"> 1. Reviews EDC recommendations, Clerk Report and BID's proposed Management Plan. 2. Petition Sufficiency Finding. 3. Adoption of Ordinance of Intention to Establish BID. 4. Authorization to set public meeting and hearing dates and begin Prop 218 process.
April	<p>Materials Due to the City Clerk from BID proponents (if applicable):</p> <ol style="list-style-type: none"> 1. Prepaid (subject to BID), preaddressed ballot return envelopes.* 2. Smaller, opaque secrecy envelopes to conceal ballot inside return envelopes.* 3. District Management Plan with budget, BID boundary map and APNs of all stakeholders.* <p>*(All materials must be pre-approved by City Clerk. Copies needed for each stakeholder)</p>
May 1st	<p><u>PROP 218 REQUIRED 45-DAY PERIOD BEGINS</u></p> <p>City Clerk to arrange for mailing of :</p> <ol style="list-style-type: none"> 1. Notice of Public Meeting and Final Public Hearing.** 2. Proposition ballots**, ballot instructions and ballot return and secrecy envelopes. 3. Ordinance of Intention (to establish BID).** 4. District Management Plan (legally considered part of the Ordinance). 5. Mailing labels (from stakeholder database) and mail-out envelopes 6. Stuff envelopes, seal and mail out from City mailroom.** <p>** (City provides copies for each stakeholder)</p> <p>City Clerk to arrange for publication of:</p> <ol style="list-style-type: none"> 1. Ordinance of Intention
June	<p><u>CITY COUNCIL HOLDS PUBLIC HEARING</u></p> <p>City Council:</p> <ol style="list-style-type: none"> 1. Council conducts Final Hearing for public comment on establishment of the BID. 2. Balloting officially closed. 3. City Clerk counts ballots and report results at next Council meeting. 4. Ballots opened and tallied in City Clerk's office (open to the public)
June	<p>City Council:</p> <ol style="list-style-type: none"> 1. Public announcement of Prop 218 ballot tabulation 2. 1st reading of Ordinance of Establishment 3. Council accepts the balloting results and passes the Ordinance of Establishment
June - August	<p>City Clerk:</p> <p>JUNE: Publish BID establishment Ordinance</p> <p>JULY: Place stakeholder assessment data on County's tax rolls (COUNTY HAS HARD DEADLINE FOR TAX ROLL SUBMISSION)</p> <p>JULY: Establish trust fund/revenue source code account</p> <p>JULY: Prepare City (501c) administrative contract</p>
December 2017	<p>City Clerk:</p> <ol style="list-style-type: none"> 1. Transmits received property assessments from County collection of 1st installment payments
January 1st, 2018	Begin BID operation

5.2 Exhibit 2 – Kosmont’s 2015 consulting contract with the Gateway to LA BID



February 11, 2015

Ms. Laurie Hughes
Executive Director
GATEWAY TO L.A. PBID
6151 W. Century Blvd., Suite 121
Los Angeles CA 90045

Re: Proposal for Continuation of Gateway to LA PBID Renewal Services

Dear Ms. Hughes:

Kosmont & Associates, Inc., doing business as Kosmont Companies ("Consultant" or "Kosmont"), is pleased to present this proposal for continued consulting services to the Gateway to L.A. Property-based Business Improvement District ("Client" or "Gateway" or "PBID") in connection with the PBID renewal.

I. BACKGROUND AND OBJECTIVE

Gateway is seeking a budget to complete remaining tasks in connection with the renewal process for the Property-Based Business Improvement District (PBID), which existing District will expire on December 31, 2015 unless renewed.

Kosmont has been working with the Los Angeles City Clerk's Office (Clerk) as well as with Gateway's outside engineer, Kristin Lowell, in order to obtain approval of the Management District Plan (MDP) and Engineer's Report (ER), which approval will then lead to the petitioning and balloting processes, followed by anticipated City Council approval.

To date, Kosmont has prepared and vetted three major iterations of the MDP with the City Clerk's office, and has also coordinated corresponding edits to the ER with both Lowell and the Clerk's office.

Consultant's proposal and Scope of Services are as follows:

II. CONSULTANT ANTICIPATES THE FOLLOWING BUDGET FOR THE REMAINING TASKS

Kosmont will perform the following services in continuation of the pursuit of the renewal of the PBID. Cost estimates below are for Tasks related to labor, and do not include actual expenses incurred such as for the Petition packages.

Task 1: Kosmont will continue working with the City Clerk's office and Gateway's engineer to achieve MDP and ER readiness in order for Petitions to be distributed. The following assumes Round #4 of review, will be the final review with the City Clerk.

Cost Estimate: \$2,000

Task 2: Kosmont will coordinate content and mailing of Petition packages to Gateway property owners. It is anticipated that Petition packages, anticipated to be approximately 60 packages (due to several properties having the same legal property owner) will include a cover letter from Gateway's executive director and Board president, a Petition form to be completed by the property owner, the MDP, the ER as well as a return, stamped envelope for Petition form return.
Cost Estimate: \$3,500

Task 3: Coordination with the City Clerk's office related to Ballot packages to be mailed to Gateway property owners by the Clerk's office. (Lower range assumes Clerk's office has few issues and prepares/mails Ballot packages. Higher range assumes Clerk's office requires more assistance from Gateway).
Cost Range Est. : \$1,000 - \$4,000

Optional

Task 4: If desired by Client, Kosmont will provide support as needed to Gateway's Executive Director as related to City Council Committee meetings and City Council public hearings pertaining to the adoption of the "Ordinance of Intention" to begin the formal balloting process.
Cost Estimate: \$TBD

Optional

Task 5: If desired by Client, Kosmont will provide support as needed to Gateway's Executive Director to promote return of Petitions and/or Ballots by Gateway property owners. As necessary and directed by Gateway's Executive Director, meet with specific property owners within the PBID to explain the renewal process and the PBID's benefits. Attend and speak at Gateway board meetings related to renewal, as requested.
Cost Estimate: \$TBD

III. PROFESSIONAL SERVICES COMPENSATION

Compensation for labor under Tasks 1 through 4 is estimated at \$6,600. Additional budget authorization, if needed, would require prior approval of Executive Director.

Compensation for Optional Tasks 4 and 5 will be on a time and materials basis, based on Attachment A's rates.

Services will be invoiced monthly at Consultant's billing rates, as shown on Attachment A, plus reimbursement for out-of-pocket expenses such as travel and mileage, professional printing, conference calls, and delivery charges for messenger and overnight packages at actual cost.

Consultant anticipates the Petition mailing packages will cost approximately \$450 for color copying, stapling, paper, ink, labels, outside envelopes, return envelopes and postage.

Consultant will also include in each invoice an administrative services fee to cover in-house copy, fax, telephone and postage costs equal to four percent (4.0%) of Consultant's monthly professional service fees incurred. Any unpaid invoices after 30 days shall accrue interest at the rate of 10% per annum.

IV. OTHER PROVISIONS

- A. Termination.** Client or Consultant shall have the right to terminate this Agreement at any time upon written notification to the other party. Payment for fees accrued through the date of termination shall be remitted in full.
- B. Arbitration.** Any controversy or claim arising out of or in relation to this Agreement, or the making, performance, interpretation or breach thereof, shall be settled by arbitration at JAMS in Los Angeles, California. Each of the parties to such arbitration proceeding shall be entitled to take up to five depositions with document requests. The provisions of Section 1283.05 (except subdivision (e) thereof) of the California Code of Civil Procedure are incorporated by reference herein, except to the extent they conflict with this Agreement, in which case this Agreement is controlling. If the matter is heard by only one arbitrator, such arbitrator shall be a member of the State Bar of California or a retired judge. If the matter is heard by an arbitration panel, at least one member of such panel shall be a member of the State Bar of California or a retired judge. The arbitrator or arbitrators shall decide all questions of law, and all mixed questions of law and fact, in accordance with the substantive law of the State of California to the end that all rights and defenses which either party may have asserted in a court of competent jurisdiction shall be fully available to such party in the arbitration proceeding contemplated hereby. The arbitrator and arbitrators shall set forth and deliver their findings of fact and conclusions of law with the delivery of the arbitration award. Judgment upon the award rendered shall be final and non-appealable and may be entered in any court having jurisdiction.
- C. Attorneys' Fees.** In the event of any legal action, arbitration, or proceeding arising out of an alleged breach of this Agreement, the party prevailing in such legal action, arbitration, or proceeding shall be entitled to recover reasonable attorneys' fees, expenses and costs, as well as all actual attorneys' fees, expenses and cost incurred in enforcing any judgment entered.
- D. Authority.** Each of the parties executing this Agreement warrants that persons duly authorized to bind each such party to its terms execute this Agreement.
- E. Further Actions.** The parties agree to execute such additional documents and take such further actions as may be necessary to carry out the provisions and intent of this Agreement.
- F. Assignment.** Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party.
- G. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- H. Entire Agreement; Amendments and Waivers.** This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and any and all prior discussions, negotiations, commitments and understanding, whether written or oral, related hereto are superseded hereby. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing signed by both parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver of such provisions unless otherwise expressly provided. Each party to this Agreement has participated

in its drafting and, therefore, ambiguities in this Agreement will not be construed against any party to this Agreement.

I. Severability. If any term or provision of this Agreement shall be deemed invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and in force to the fullest extent permitted by law.

J. Notices. All notices, requests, demands and other communications which may be required under this Agreement shall be in writing and shall be deemed to have been received when transmitted; if personally delivered, if transmitted by telecopier, electronic or digital transmission method, upon transmission; if sent by next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express), the day after it is sent; and if sent by certified or registered mail, return receipt requested, upon receipt. In each case, notice shall be sent to the principal place of business of the respective party. Either party may change its address by giving written notice thereof to the other in accordance with the provisions of this paragraph.

K. Titles and Captions. Titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

L. Governing Law. The statutory, administrative and judicial law of the State of California (without reference to choice of law provisions of California law) shall govern the execution and performance of this Agreement.

M. Confidentiality. Each of the parties agrees not to disclose this Agreement or any information concerning this Agreement to any persons or entities, other than to their attorneys and accountants, or as otherwise may be required by law.

N. Counterparts. This Agreement may be executed in one or more counterparts, each of which constitutes an original, and all of which together constitute one and the same instrument. The signature of any person on a telecopy of this Agreement, or any notice, action or consent taken pursuant to this Agreement shall have the same full force and effect as such person's original signature.

O. Disclaimer. Consultant's financial analysis activities and work product, which may include but is not limited to pro forma analysis and tax projections, are projections only. Actual results may differ materially from those expressed in the analysis performed by Consultant due to the integrity of data received, market conditions, economic events and conditions, and a variety of factors that could materially affect the data and conclusions. Client's reliance on Consultant's analysis must consider the foregoing.

Consultant services outlined and described herein are advisory services only. Any decisions or actions taken or not taken by Client and affiliates, are deemed to be based on Client's understanding and by execution of this Agreement, acknowledgement that Consultant's services are advisory only and as such, cannot be relied on as to the results, performance and conclusions of any investment or project that Client may or may not undertake as related to the services provided including any verbal or written communications by and between the Client and Consultant.

Client acknowledges that Consultant's use of work product is limited to the purposes contemplated within this Agreement. Consultant makes no representation of the work product's application to, or suitability for use in, circumstances not contemplated by the scope of work under this Agreement.

P. Limitation of Damages. In the event Consultant is found liable for any violation of duty, whether in tort or in contract, damages shall be limited to the amount Consultant has received from Client.

Q. Expiration of Proposal for Services. If this Agreement is not fully executed by the parties within thirty (30) days from the date of this letter, this proposal shall expire.

R. Not an agreement for Legal Services or Legal Advice. This Agreement does not constitute an agreement for the performance of legal services or the provision of legal advice, or legal opinion. Client should seek independent legal counsel on matters for which Client is seeking legal advice.

V. ACCEPTANCE AND AUTHORIZATION

If this Agreement is acceptable to Client, please execute two copies of the Agreement and return both originals to Kosmont Companies. Upon receipt of both signed contracts, we will return one fully executed original for your files. Kosmont will commence work upon receipt of executed Agreement.

Read, understood, and agreed to this
13 Day of FEBRUARY 2015

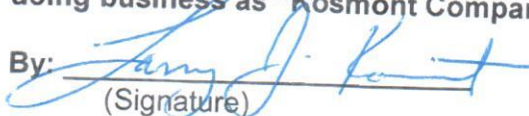
Gateway to L.A.

By: 
(Signature)

Name: LAURIE HUGHES
(Print Name)

Its: EXECUTIVE DIRECTOR
(Title)

Kosmont & Associates, Inc.
doing business as "Kosmont Companies"

By: 
(Signature)

Name: Larry J. Kosmont, CRE

Its: President & CEO

ATTACHMENT A

Kosmont Companies 2015 Public Agency and Non-Profit Fee Schedule

Professional Services

President & CEO	\$295.00/hour
Partner/Senior Vice President/Senior Consultant	\$225.00/hour
Vice President/Associate	\$185.00/hour
Project Analyst / Project Manager	\$150.00/hour
GIS Mapping/Graphics Service/Research	\$ 95.00/hour
Clerical Support	\$ 60.00/hour

• Additional Expenses

In addition to professional services (labor fees):

- 1) An **administrative fee** for miscellaneous copying, fax, phone and postage costs will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**
- 2) **Out-of-pocket expenditures**, such as travel and mileage, professional and/or color printing, postage and delivery charges for messenger and overnight packages will be charged at cost.
- 3) If Kosmont retains **Third Party Vendor(s)** for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.

• Charges for Court/Deposition/Expert Witness-Related Appearances

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates shall remain in effect until December 31, 2015.

5.3 Exhibit 3 – Kosmont’s Q2 2015 lobbying report



City Ethics Commission
200 N. Spring St., Suite 2410
Los Angeles, CA 90012
(213) 978-1960

LOBBYING FIRM QUARTERLY REPORT CEC Form 34

Kosmont & Associates, Inc. dba Kosmont Companies
FOR THE CALENDAR QUARTER ENDING **Jun 30, 2015**

NAME OF LOBBYING FIRM : Kosmont & Associates, Inc. dba Kosmont Companies		TELEPHONE NUMBER: (213) 417-3300	FAX NUMBER: (213) 417-3311
BUSINESS ADDRESS: 865 South Figueroa Street Suite 3500		(City, State Zip) Los Angeles, CA 90017	E-MAIL: cmartinez@kosmont.com
NAME OF PERSON AUTHORIZED TO PREPARE FORM: Kosmont, Larry		EMAIL: cmartinez@kosmont.com	

Part I - SUMMARY OF ACTIVITY

A. Total Payments to Lobbyists:	\$403.80
B. Total Payments to Non-Lobbyist Employees:	\$312.46
C. Total Activity Expenses: (from Grand Total in Part III)	\$0.00
D. Total Other Expenditures: (Each expenditure of \$5,000 or more shall be itemized in Part IV)	\$0.00
E. Grand Total Lobbying Expenditure: (A+B+C+D above)	\$716.26
F. Total Political Contributions: (from Grand Total in Part V)	\$0.00
G. Behested Contributions to Elective City Officers and Candidates for Elective City Office: (from Grand Total in Part VI)	\$0.00
H. Total Fundraising Activity: (from Grand Total in Part VII)	\$0.00
I. Fundraising Solicitations: ([x] if Fundrasing Solicitations reported in Part VIII)	[]
J. Total Behested Donations: (from Grand Total in Part IX)	\$0.00
K. Total Lobbying Payments from Clients: (from Total in Part X)	\$12,222.20
L. Total Payments from City Candidate and Ballot Measure Committees: (from Total in Part XI)	\$0.00
M. Total Payments from City Agencies: (from Total in Part XII)	\$0.00

VERIFICATION

I have used all reasonable diligence in completing this form and attachments. I have reviewed the form and any attachments and to the best of my knowledge the information contained herein is true and complete.

I certify under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

31-Jul-15

Larry Kosmont (e-signed)

Executed On: (Date)

By: (Signature of Authorized Person)



City Ethics Commission
200 N. Spring St., Suite 2410
Los Angeles, CA 90012
(213) 978-1960

LOBBYING FIRM QUARTERLY REPORT
CEC Form 34

Kosmont & Associates, Inc. dba Kosmont Companies
FOR THE CALENDAR QUARTER ENDING **Jun 30, 2015**

Part II - REGISTERED LOBBYISTS

1. [Larry Kosmont](#)
2. [Susan Perry](#)

**LOBBYING FIRM QUARTERLY REPORT
CEC Form 34**

 Kosmont & Associates, Inc. dba Kosmont Companies
 FOR THE CALENDAR QUARTER ENDING **Jun 30, 2015**

 City Ethics Commission
 200 N. Spring St., Suite 2410
 Los Angeles, CA 90012
 (213) 978-1960
Part X - PAYMENTS FROM CLIENTS

Client Name and Contact Info		Total Payments
ALTASEA AT THE PORT OF LOS ANGELES 1901 Avenue of the Stars, Suite 1600 Los Angeles, CA 90067 (424) 2104320		\$5,925.00
Projects		
Description	Case Number	City Agencies Lobbied
Real Estate Advisory Services/Various		Harbor (Port of LA, POLA)

Client Name and Contact Info		Total Payments
GATEWAY TO L.A. PBID 6151 W Century Blvd, Suite 121 Los Angeles, CA 90045 (213) 216-7328		\$6,297.20
Projects		
Description	Case Number	City Agencies Lobbied
Gateway L.A./Adjacent to LAX		Airports, Los Angeles World (LAWA, LAX); City Clerk

Total Payments From Clients: \$12,222.20