

DATE: APRIL 27, 2011

FROM: PUBLIC RELATIONS

**SUBJECT: RESOLUTION NO. _____ - LOS ANGELES HARBOR DEPARTMENT
POLICY REGARDING DISTRIBUTION OF TICKETS AND PASSES**

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) periodically receives tickets and passes to various entertainment, amusement, events or performances that are subsequently distributed to Harbor Department staff or members of the Board of Harbor Commissioners for their use. The California Fair Political Practices Commission (FPPC) Regulation in California Code of Regulations, Title 2, Section 18944.1 provides that any distribution of tickets or passes by a government agency to, or at the behest of, its employees and officials must be made pursuant to a duly adopted written policy by a governing body. Otherwise, the tickets or passes are deemed to be gifts to the staff subject to gift limits and individual reporting. Harbor Department staff requests the Board of Harbor Commissioners adopt a resolution, approving a Policy Regarding Distribution of Tickets and Passes, in order to comply with the FPPC regulation. This proposed Policy does not apply to invitation-only events.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the public purposes of the Harbor Department shall be accomplished by the distribution of tickets and passes in accordance with the Los Angeles Harbor Department Policy Regarding Tickets and Passes;
2. Approve the Los Angeles Harbor Department Policy Regarding Tickets and Passes (Transmittal No. 1);
3. Direct Harbor Department staff to post the Los Angeles Harbor Department Policy Regarding Tickets and Passes in prominent fashion on the Harbor Department's website at www.portoflosangeles.org; and

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4. Adopt Resolution No. _____.

DISCUSSION:

Background– The California Fair Political Practices Commission (FPPC) Regulation in California Code of Regulations, Title 2, Section 18944.1 (FPPC Regulation) provides that any distribution of tickets or passes by a government agency to, or at the behest of, its employees and officials must be made pursuant to a duly adopted written policy by a governing body. A copy of the FPPC Regulation is attached as Transmittal 2. Harbor Department Staff has prepared a Los Angeles Harbor Department Policy Regarding Tickets and Passes in order to comply with this regulation. Administration of this proposed Policy would be the responsibility of the Executive Director of the Harbor Department.

In compliance with the FPPC Regulation, this proposed Policy would set parameters for distribution of tickets offered to the Harbor Department, and would establish that distribution to Harbor Department staff or Commissioners may occur for public purposes. An example of this is when Harbor Department staff is offered tickets for events proposed or scheduled to take place on Harbor Department property by issuance of a Temporary Entry and Use Permit. Events of this nature promote the Port of Los Angeles (Port) as a visitor destination and also help raise awareness for the maritime related operations and industries that are facilitated by the Port. While it is in the Port's best interest to have representatives visit these events to observe how the events are produced on Port property, under current circumstances, Port staff or Harbor Commission members cannot accept tickets for such events unless they report those tickets as gifts or recordable income. In other instances, such as tickets provided to the Port as an advertiser or business partner, this proposed Policy would make it possible for Harbor Commissioners and Port staff to attend events with business clients in the context of business promotion. A present example would be the Port's receipt of Los Angeles Dodger baseball tickets under its contract as a season-long advertiser on the Dodger Radio Network. Under this proposed Policy, Harbor Commissioners and designated staff would be able to use these tickets to invite customers to baseball games as a customer relations activity to promote the Harbor Department's business.

Proposed Policy Regarding Distribution of Tickets and Passes – The following is a summary of the proposed Policy, which was written to comply with state law.

This Policy shall apply to tickets or passes for admission to a facility, event, show or performance for an entertainment, amusement, recreational, or similar purpose ("Event Tickets"), which are provided to the Harbor Department (i) pursuant to the terms of a contract for use of public property, (ii) because the Harbor Department controls the event, (iii) that is purchased by the Harbor Department at fair market value; or (iv) otherwise received from an outside source and which are provided without charge by the Los Angeles Harbor Department to members of the Los Angeles Board of Harbor Commissioners, Harbor Department or City staff ("Port Recipient"). Tickets or passes

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purchased at full face value or fair market value of the ticket, as appropriate, by the official using the tickets are not covered by this Policy.

The Policy sets forth the public purposes for which the distribution of Event Tickets can be made to Port Recipients, including:

- (a) Maritime commerce, navigation, fisheries, public recreation or other water-oriented activities within the Harbor Department's jurisdiction;
- (b) Economic development or employment within the Port's jurisdiction, including Harbor Department officials hosting customers at events in which Port-related business may be discussed and furthered;
- (c) Events intended to promote or provide exposure to and awareness of maritime business, tourism, recreational, cultural and educational facilities or attractions on Harbor Department properties or awareness of the Port of Los Angeles as a regional destination, economic asset or business opportunity;
- (d) Community programs within the Harbor Department's jurisdiction, including programs supported by charitable and non-profit organizations; and
- (e) Any purpose similar to the above included in any Port contract.

The following requirements from the FPPC Regulation are contained in the Policy. Distribution of Event Tickets by the Harbor Department to a Port Recipient must be done in accordance with the following requirements:

- (a) The Port Recipient and the Harbor Department treats the Event Ticket(s) as income consistent with applicable federal and state income tax laws; or
- (b) Event Tickets are distributed in accordance with the public purposes stated above, and provided that:
 - 1. Such Event Tickets shall not be earmarked by the original source for use by the particular Port Recipient who uses such Event Tickets;
 - 2. The Harbor Department determines, in its sole discretion, which individual may use the Event Ticket;
 - 3. Port Recipients receiving Event Tickets pursuant to this Policy shall not transfer such Event Tickets to any other person, except to the recipient's spouse, domestic partner recognized by state law, or dependent children, solely for their personal use; and
 - 4. No person receiving Event Tickets pursuant to this Policy shall sell or receive reimbursement for the value of any ticket.

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(c) Nothing in this Policy shall relieve individual members of the Los Angeles Board of Harbor Commissioners from their duty under Los Angeles Municipal Code Section 49.5.17 not to participate in or otherwise be involved in the Harbor Department's contracting process where they are not acting as a Board.

As required by the FPPC regulation, when tickets are distributed according to the proposed Policy, information must be posted on the Harbor Department's website and reported to the FPPC on state form 802 within 30 days.

Conclusion– Staff recommends that the Board of Harbor Commissioners adopt the resolution approving the Harbor Department Policy Regarding Distribution of Tickets and Passes.

ENVIRONMENTAL ASSESSMENT:

The proposed project is adoption of a resolution approving the Harbor Department Policy Regarding Distribution of Tickets and Passes. As an administrative activity the Director of Environmental Management has determined that the proposed activity is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This board action will have no employment effect.

FINANCIAL IMPACT:

The adoption of the proposed Policy regarding distribution of tickets and passes will not have a financial impact upon the Harbor Department.

CITY ATTORNEY:

The office of the City Attorney has reviewed the Policy on Distribution of Tickets and Passes and approved it as to form and legality.

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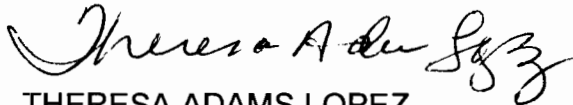
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TRANSMITTALS:

1. Policy Regarding Distribution of Tickets and Passes
2. Fair Political Practices Commission Regulation on Gifts: Tickets or Passes to Events, CCR Title 2, Section 18944.1

FIS Approval: KL (initials)

CA Approval: MB (initials)

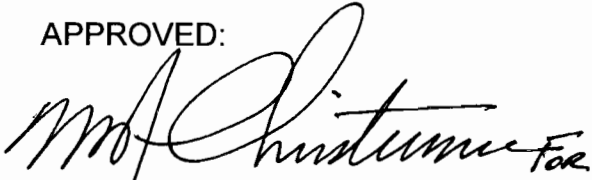


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