



## MEMORANDUM

**DATE:** August 7, 2024

**TO:** Chair and Members of the San Diego Ethics Commission

**FROM:** Sharon Spivak, Executive Director

**SUBJECT:** Annual Summary of City Lobbying Activity for 2023  
Docketed for Ethics Commission Meeting of August 8, 2024

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### **I. Purpose of the Annual Report**

The City's Municipal Lobbying laws are designed to ensure the public has access to information about those who attempt to influence City government decisions on behalf of others. The City's laws set detailed registration and disclosure requirements so that lobbyists will provide the public with relevant information regarding the full range of their lobbying activities and financing.

As part of the expressed purpose for the City's lobbying laws, the Municipal Code states an intent to "promote transparency concerning attempts to influence municipal decisions." See San Diego Municipal Code (SDMC and Municipal Code) § 27.4001 (Municipal Lobbying Ordinance, Purpose and Intent section). The code seeks to properly regulate lobbying activities, "in a manner that does not discourage or prohibit the exercise of constitutional rights," while reinforcing "public trust in the integrity of local government" and through vigorous enforcement of City lobbying laws. *Id.*

As the Commission is aware, the Municipal Lobbying laws fall under the Ethics Commission's jurisdiction. Commission staff provide City lobbyists with education and advice regarding the laws. The Commission's authority to conduct investigations and take administrative enforcement actions extends to all current and former lobbyists who are registered, or required to be registered, with the City. SDMC § 26.0413(a)(9) and § 27.4001, *et seq.*

Lobbyist filings are available on the City of San Diego's website, in the portal accessible from the City Clerk's web page. (See <https://efile.sandiego.gov>.) As an added measure of transparency for the public and regulated community, Commission staff compiles an annual summary of City

lobbying and related activities, based on lobbyist filings from the previous calendar year.<sup>1</sup> The following report and charts detail lobbyist activity in the City of San Diego during 2023. The timing of this report captures any amendments and late filings for that year, providing the most current and robust information for the time period.

## II. Report of 2023 Lobbying Activity

### (1) Lobbyist Registration

Every lobbying firm and organization lobbyist, as those entities are defined by the Municipal Code, is required to register with the City Clerk no later than 10 calendar days after qualifying as a lobbying firm or organization lobbyist. SDMC § 27.4007, *et seq.* Those that register retain that status through January 5 of the following calendar year unless and until they terminate their status; if they re-qualify, they must renew their registration.

**In 2023, a total of 50 lobbying firms and 73 organization lobbyists registered a total of 435 individual lobbyists with the City Clerk.<sup>2</sup>**

### (2) Disclosure of Lobbying Activities

Lobbying firms and organization lobbyists file quarterly disclosure reports. SDMC § 27.4015. A summary of the 2023 reports showed the following:

- **Lobbying firms reported receiving a total of \$3,677,782 from their clients.**
- **Organization lobbyists reported making a total of 1,546 lobbying contacts with high-level City Officials.**

The quarterly breakdown of reported earnings and contacts for 2023 follows:

<u>2023 Calendar Quarter</u>	<u>Amount Earned by Firms</u>	<u>Contacts by Organizations</u>
January – March	\$ 1,160,379	346
April – June	\$ 1,019,091	531
July – September	\$ 768,453	390
October – December	\$ 729,859	279

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<sup>1</sup> Thank you to Ethics Commission Program Manager Victoria Velasquez for compiling much of the 2023 data with an outside consultant to the Clerk’s Office, preparing the attached charts, and helping to prepare this report. Ethics Commission staff also thanks Christian Ott, a partner with Pasadena Consulting Group LLC, who is the consultant who works under contract to the City Clerk. At our request, Mr. Ott ran additional reports from the City’s lobbyist filing system this week to provide the most updated data to report here.

<sup>2</sup> By comparison, during 2022, 57 lobbying firms and 82 organization lobbyists registered a total of 438 individual lobbyists, and firms reported earning \$4,075,910.

The attached charts illustrate the comparison to other years. Due to the COVID emergency, it is difficult to draw specific conclusions about the variation in activity during recent years that were affected by the pandemic.

For the benefit of newer Commissioners, here is an explanation of the data for several recent years captured in the “trends” chart. This was explained in last year’s report:

- (1) In 2020, the amount earned was the highest of the last eight years, at more than \$5.5 million.
- (2) In 2021, the number of contacts spiked, at 3,131.
- (3) If 2021 is not included, the number of registered City lobbyists has been fairly consistent. The number ranged from 364 to 438 for each year between 2015 and 2022. That said, the total number of 438 registered lobbyists for 2022 is the highest number reported in that period, excluding the one-time spike due to Sempra Energy’s lobbying activity in 2021. (The Sempra reports turned out to be a one-time “glitch” in the way that entity reported its lobbyists that year.)

The 2023 numbers should be viewed in this context. There was no material difference in the number of registered City lobbyists between 2022 and 2023. As noted above, the reported number was 438 for 2022 and 435 for 2023.

Commission staff also can report the following “Top Ten” paid City lobbyists for 2023, based on their filings and data analyzed for our department. (*See* footnote 1.)

### **Top Ten Paid City Lobbyists for 2023**

<b><u>Lobbyist</u></b>	<b><u>Reported Lobbying Compensation for 2023</u></b>
Miller Public Affairs	\$ 444,000
Sheppard Mullin Richter & Hampton	\$ 352,000
California Strategies & Advocacy, LLC	\$ 338,250
PPR Solutions, Inc.	\$ 291,000
The Clay Company	\$ 257,375
Procopio, Cory, Hargreaves & Savitch LLP	\$ 246,000
Edgewater Strategies	\$ 231,000
Falcon Strategies	\$ 220,499
City Forward LLC	\$177,000
Latham & Watkins LLP	\$ 168,000

Reports filed with the City Clerk also are required to detail the municipal decisions that were the subject of the lobbying activity and the compensation set forth above. The public can conduct a search on the Clerk’s website for each company’s filings. This will provide the granular detail of the specific municipal decisions in which each firm was involved.

The vast majority of reported lobbying activities by all lobbyists in 2023 involved land use decisions. There is no ready way to accurately calculate amounts by specific municipal decisions, as each lobbyist will describe them differently on forms. Commission staff can provide Commissioners additional information if they wish to review that granular detail (one such report is easier viewed online, as it lists all municipal decisions and is hundreds of pages long).

### **(3) Disclosure of Campaign-Related Activities**

Quarterly disclosure reports are also required to detail campaign contributions and fundraising activities. A summary of the 2023 reports showed the following:

- **Lobbying firms and organization lobbyists reported a total of \$55,170 in campaign contributions made to City candidates, and to committees primarily formed to support or oppose City candidates.**
- **Lobbying firms and organization lobbyists disclosed raising \$26,718 for City candidates and for committees formed to support or oppose City candidates.**

The quarterly breakdown of reported campaign activity for 2023 follows:

<u>2023 Calendar Quarter</u>	<u>Campaign Contributions</u>	<u>Fundraising Activities</u>
January – March	\$ 4,923	\$ 17,500
April – June	\$ 22,091	\$ 4,250
July – September	\$ 12,375	\$ 4,968
October – December	\$ 15,781	\$ 26,718

It should be noted that the definition of “fundraising activity” is limited in the Municipal Code for this purpose, as generally: (1) funds personally delivered to a City candidate or a committee, and (2) contributions a lobbyist has taken some credit for raising with the candidate or the candidate’s controlled committee. See SDMC § 27.4002.

Candidates were allowed to begin fundraising for the 2024 election cycle on January 1, 2023.

Please see the attachment on Campaign Activity for more detailed information. The chart indicates that fundraising activity and campaign contributions were far lower in 2023 than other recent City election years. Generally, odd-numbered years in which elections are not held will have lower figures and are best compared to other odd-numbered years.

Fluctuations in the numbers are also explained by the fact that City elections are staggered. In U.S. Presidential election years, seven City elective offices are on the ballot (Mayor, City Attorney, and Council Districts 1, 3, 5, 7, and 9). In U.S. midterm election years, only four City elective offices are on the ballot (Council Districts 2, 4, 6, and 8).

Fluctuations may also be explained by whether races are competitive. In 2024, for example, three Councilmembers ran unopposed and did not necessarily need to fundraise as they might have in a competitive race.

### **III. Commission Staff Monitors Lobbying Activity Year-Round**

Although this report summarizes past activity, it is significant to note that Commission staff monitors lobbying activity and disclosures year-round. Staff is actively engaged in educating and training lobbyists, answering their technical legal questions, assisting with their filings, and enforcing violations of the City's lobbying laws. The Commission also encourages the public to monitor the City's e-file system at <https://efile.sandiego.gov>, as it provides a robust source of lobbying information.

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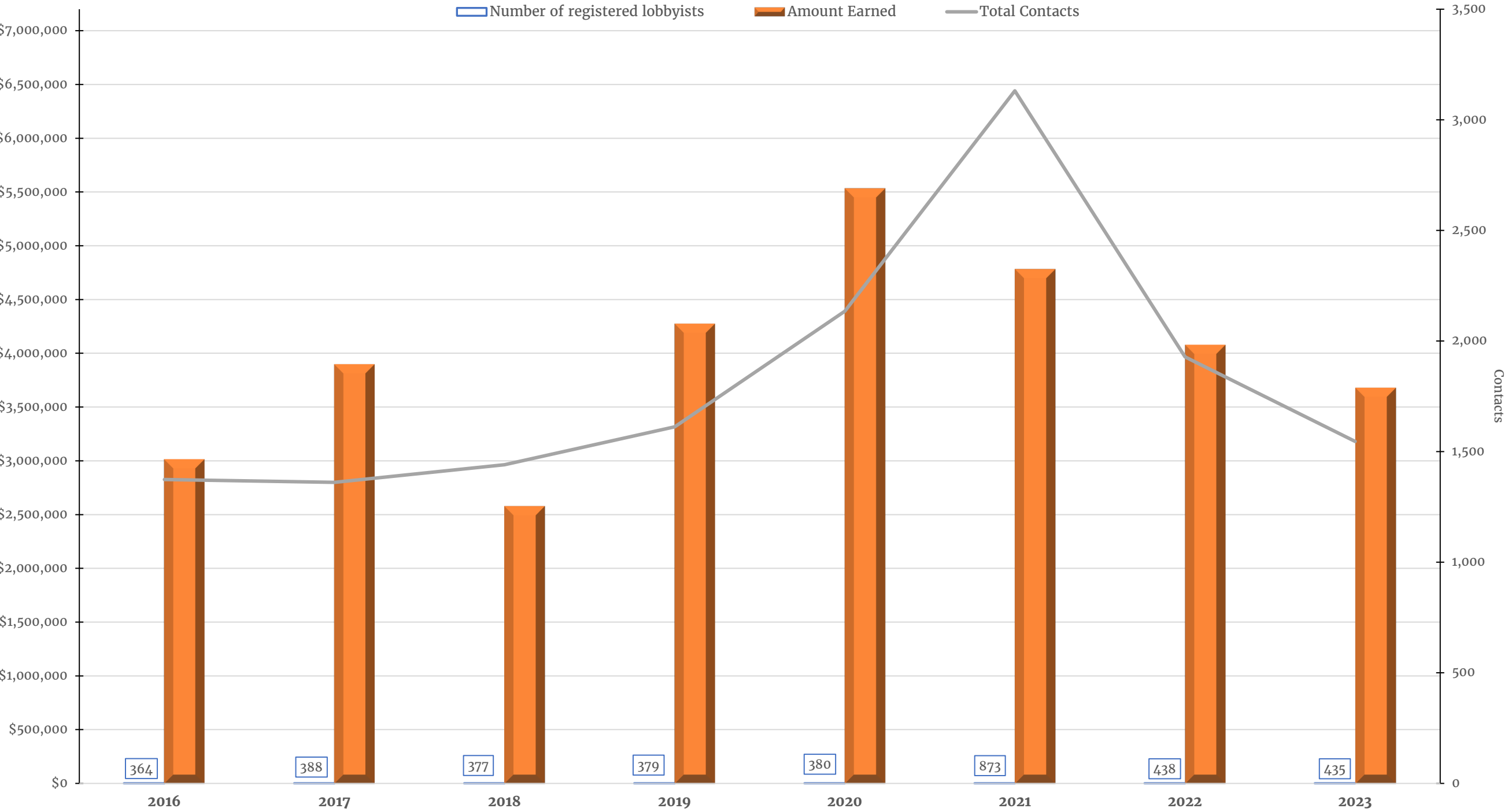
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Sharon Spivak  
Executive Director

Attachments

# TRENDS

Number of registered lobbyists    Amount Earned    Total Contacts



# Campaign Activity

■ Contributions    
 ■ Fundraising    
 ● Election Dates

