

THE IKE PROGRAM and relevant sign policy history protecting the public right-of-way from commercial advertising. (By Barbara Broide, WNC Alt. Rep. to WRAC Board and rep to MTC)

EXECUTIVE SUMMARY: *(This is all you need to read)*

CF 22-1154-S1: On April 11, Councilmember Tim McOsker introduced a motion that proposed to implement an RFP to allow installation of hundreds of 8-9 foot tall two-sided digital advertising kiosks on sidewalks and parkways throughout the City. The motion seeks to move forward with an RFP to be issued by the Tourism Dept. within 30 days of Council action for what was originally presented as the IKE Smart City digital kiosk program ("IKE") in CF 22-1154.

Unlike CF 22-1154, the new McOsker motion, CF 22-1154-S1 omits the Dept. of Public Works/Street Services/Streets LA from involvement in the drafting or issuance of the RFP (despite the fact that Public Works has the authority over the public right-of-way).

The CF motion: https://clkrep.lacity.org/online/docs/2022/22-1154-S1_misc_4-11-25.pdf

The Council file:

<https://cityclerk.lacity.org//lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=22-1154-S1>

PROPOSED NC/CC CIS/MOTION: The _____ Neighborhood/Community Council opposes the issuance of an RFP for the interactive digital kiosk program (CF 22-1154-S1) that will directly compete with and undermine the success of the City's Sidewalk and Transit Amenities Program (STAP) and other programs that the City and its transit riders rely upon to provide much-needed shade and shelter for transit riders as well as significant additional community benefits. **[Note: Motion text on the agenda is item 7.c.]**

Contact CM Yaroslavsky and CM Park to oppose the program. Enter the CIS into both CF 22-1154-S1 and CF 22-1154.

NOTE: If the Council Motion cannot be halted at this time, request that the program be referred to both the Council's Budget & Finance and Public Works Committees for a comprehensive financial impact analysis – especially for its impact on STAP and other existing advertising programs already approved.

If the program is still poised to move forward, request that a public outreach program on IKE be presented to all neighborhood councils and communities before the final drafting or issuance of an IKE Program RFP.

In October 2022, the City Attorney issued a letter to the City Council indicating that a **CEQA analysis** needed to be done before the program could proceed as proposed. That analysis, to determine the appropriate level of CEQA review, has never been done. Request CEQA analysis.

Question: *Is it best to pass the first simple motion of opposition alone or better to also adopt the subsequent "what if" motions and hold onto them to use as/if needed? As measures can move swiftly, having the ability to comment is important. Those "what if" motions would each be a separate motion or CIS: 1) Request of referrals to Budget and Public Works Committees, 2) Request for a CEQA analysis as per City Attorney letter, and 3) Required outreach to NC/CCs prior to drafting and release of an RFP.*

Additional info/ the bigger picture:

Outdoor advertising dollars are established by advertisers for each market. Under STAP, advertisers have the option of placing their ads on STAP's transit shelters, public amenity kiosks, information kiosks and /or urban panels. Dollars spent for ads on IKE /interactive kiosk structures will take away ad revenues from STAP. There is no need for competing programs that will siphon off STAP's ad revenues from this program to which the City has made significant commitments and stands to enjoy long-term benefits. The digital interactive kiosk program is simply a bad deal for the City when the City now receives an unprecedented 60.5% of STAP ad revenues some of which goes to each Council District office and others to R.A.I.S.E. transit and pedestrian initiatives implemented by the Dept. of Transportation.

In the Westside NC area of CD 5, a targeted zone for these interactive advertising kiosks was designed by vendor IKE and approved by the Tourism and Convention Bureau and the Dept. of Tourism and is referred to as the Century City Hotel District which, curiously, includes Century Park West, Pico and Santa Monica Blvds. between Century Park West and the 405, Sepulveda and Westwood Blvds. between Pico and Santa Monica Blvds. (The one and only hotel/motel on Sepulveda Blvd. lies south of this proposed district. There is but one small boutique hotel on Westwood Blvd. within the district.



That “IKE” Century City Hotel District includes Santa Monica Blvd. a designated Scenic Highway (where no ads are permitted within 500 feet of the center line of the roadway), Westwood and Pico Blvds. which are part of the Pico/Westwood Neighborhood Oriented District (NOD) Ordinance that prohibits off-site commercial (advertising) signs and “signs that flash, move or have the appearance of movement.”

The initial Citywide distribution plan:

KEY:

IKE NETWORK: LA DISTRICTS

● District 1: 20 Units	● District 9: 15 Units
● District 2: 20 Units	● District 10: 15 Units
● District 4: 35 Units	● District 11: 40 Units
● District 5: 50 Units	● District 12: 7 Units
● District 6: 7 Units	● District 13: 35 Units
● District 7: 7 Units	● District 14: 40 Units
● District 8: 15 Units	● District 15: 10 Units

See attached PDF with maps of IKE districts for the first 300 of 500 kiosks planned for LA City streets.

These maps are no longer accessible where originally posted and ca no longer be viewed by the public.

In CD 5: Palms, Pico-Robertson, Westwood, Beverly Grove are targeted areas.

In CD 11, Venice, Del Rey and Brentwood are targeted areas.

BACKGROUND *(more than you might ever want to know):*

The 2002 Sign Ordinance has protected Angelenos from visual pollution for two decades

Efforts to monetize and commercialize the PUBLIC right-of-way have been going on for many years but have been held at bay until very recently. Efforts to strengthen the 2002 Sign Ordinance proposed by the City Planning Dept. and strengthened by the City Planning Commission were thwarted by then-PLUM Chair Huizar and PLUM Committee member Councilmember Englander. When Councilmember Krekorian chaired the Budget and Finance Committee, he made no effort to hide the fact that he looked upon the sale of the public right-of-way for advertising as a way to generate funds. Those efforts were successfully fought by concerned public members for many years, relying upon the 2002 Sign Ordinance's protections that implemented a ban on all new billboards with the exception of those located within geographically contiguous and defined Sign Districts.

Council President Krekorian, championed (and expedited) the Metro TCN Digital Billboard Program that was narrowly approved by Council in Dec. 2023 despite the fact that it did not meet the definition of a Sign District as its locations are scattered across the city – and are not contiguous. (Councilmember Krekorian's former chief of staff was/is the chief lobbyist for the outdoor advertising company that was engaged by Metro to create the TCN advertising program years ago and that now holds the contract for its implementation.)

STAP is the City's long-term commitment to providing shade and shelter for transit riders. It allows for the installation of transit shelters, urban panels, information panels, and public amenity kiosks with ads with the City providing funds for the construction and installation of the program elements and Tranzito-Vector contracted to sell the ads on these structures and to maintain them. The City receives a 60.5% share of STAP ad revenues (an unprecedented percent) with a designated portion of STAP revenues shared equally by each Council District Office in a discretionary fund.

The success of the STAP program and its ability to expand its impact relies upon the ability to attract advertisers and generate revenues. It will be competing with the Metro TCN digital billboard program for "out-of-home" (outdoor) advertising dollars which advertisers budget for each market. (Outdoor advertising companies understand that each market has predominant advertisers who do not increase their outdoor advertising budgets based upon the number of screens available; thus, the addition of new screens/ad panels results in the shifting of dollars from one ad program to another.)

Each time the City faces a budget shortfall, outdoor advertising companies come before Council to present proposals for new advertising programs as a way for the City to raise new funds. In addition, outdoor advertising companies are now eyeing LA's streets as the place they seek to establish a presence with the coming of the World Cup, Super Bowl, Olympics and Paralympic Games. While they seek to reach special event visitors, any new advertising structures will remain in the public right-of-way for decades as the ad programs typically have a 20 year lifespan.

While the Metro TCN and STAP program were presented and debated in public, the interactive kiosk program has quietly advanced behind the public's view for nearly a decade. The vendor's lobbying efforts (first led by Timothy McOsker as a lobbyist with Glaser, Weil, Fink, Howard, Avchen & Shapiro from 2017-2018 and then from his own lobbying firm the McOsker Group from the third quarter of

2019 through the first quarter of 2021). The McOsker Group received \$ 162,000 in lobbying payments from IKE Smart City during that period.

The most recent lobbying activities on behalf of IKE Smart City are being handled by The Afriat Consulting Group, Arnie Berghoff & Associates, EKA, M Strategic Communications and their own in-house lobbyists and focus on generating support from BIDs and local chambers of commerce. They have, for the most part, ignored and avoided neighborhood councils and the general public -- despite having targeted and mapped specific locations around the City where 300 initial IKE structures are to be placed.

The Tourism and Convention Board ("Board") has been working on the IKE program since 2016 and yet the public has been kept in the dark since its inception. The plan to generate revenues for the Board was hatched as a partnership between the Board and Ike Smart Cities (also known as Orange Barrel Media), a vendor from New Orleans. The Board entered into a 2017 Letter of Intent to install their 8-foot tall, 2-sided digital kiosks in 300-500 locations citywide, even mapping out the districts where they sought to install the screens. This, without a single public meeting. Internally, the Tourism and Convention Board and the Dept. of Tourism circulated maps of targeted neighborhoods (since removed from a difficult to find website location and from any public access). Yet no outreach attempts were made to neighborhood councils that would be impacted.

The project's supporters ran into a problem, however, that halted the program from moving forward. The language in the LA Municipal Code (LAMC) permitted advertising structures in the PUBLIC right-of-way only for transit shelters. So, although not needed to permit ads on transit shelters for STAP, the STAP program's Mitigated Negative Declaration document included language creating a new LA Municipal Code to allow other additional (undefined) types (or numbers) of advertising structures on the public right-of-way. However, the STAP program's approval was delayed and the Letter of Intent between IKE and the Board expired before the STAP program with its new LAMC was adopted. That did not stop the program's proponents from quietly continuing to lobby for support.

The program was first promoted by the Tourism and Convention Board, then by the Tourism ad Convention Commission and later by the new City Tourism Dept. with support from a well-orchestrated lobbying effort focused on Public Works (that has authority over the public right-of-way) and the City Council. In the first public consideration of the program, the Budget, Finance and Innovation Committee approved a motion to approve the program with the granting of a sole source no-bid contract to IKE Smart Cities based upon the RFP for their smaller program in Houston, Texas (!). In the report from that April 10, 2023 meeting of the Council's Budget, Finance and Innovation Committee re: CF 22-1154, it was noted that no financial analysis had been completed by the Chief Legislative Analyst. In addition, the Committee failed to address the points raised in the City Attorney's report of October 20, 2022 that listed a number of requirements to be met before the awarding of a contract was to go forward. Instead, the Committee report includes the comment: "Note and File City Attorney's Report.". (The City Attorney's report is attached.) To date there has been no apparent action taken on a CEQA analysis of this program which seeks to install hundreds of digital advertising kiosks on our sidewalks and parkways across the City -- many of which will be on the very same blocks as planned transit shelters.

When brought before the full Council, the effort to approve the program based upon the Houston IKE RFP was derailed by local vendors seeking the opportunity to bid and by community members who pressed for a public RFP process. While the Council failed to approve the no-bid contract, they did approve the issuance of an RFP on April 21, 2023 without first addressing concerns expressed by the City Attorney, and before requiring a fiscal evaluation of the program on existing advertising programs or requiring public outreach to help to inform the nature of the program and the program's RFP.

In its vote to approve the issuance of an RFP, the City Council directed the City Tourism Dept., with the assistance of the Bureau of Street Services “to administer a RFP process for the installation and maintenance of interactive kiosks in the public right-of-way.”

No RFP has been issued to date. It is believed that the Dept. of Public Works/Bureau of Street Services (now known as StreetsLA) has come to realize that the kiosk program would undermine STAP program revenues and the STAP program’s (and the City’s) ability to provide much-needed shade and shelter for transit riders. By reducing STAP income, it would also compromise the community benefit programs supported by the discretionary funds provided to each Council District office.

The interactive kiosk program delivers advertising under the guise of providing tourists with needed information. A tourist (or local) is meant to approach a 8-9 foot tall interactive kiosk and engage with it to access local information. However, over the past decade since the program was first proposed, it has become common practice for tourists to carry cell phones thus reducing the need to seek out and engage with a sidewalk-installed kiosk. (And if there are specific tourist-heavy locations where an information kiosk is needed, the STAP’s approved program elements include information kiosks.)

Where we are today:

On April 11, 2025 Councilmember Tim McOsker (CD-15) introduced a motion instructing “the City Tourism Department to release the Request for Proposal (RFP) for the installation and maintenance of interactive kiosks in the City of Los Angeles’ public right-of-way within 30 days.” (Council File: 22-1154-S1). The motion was referred to the Trade, Travel and Tourism Committee. The earlier instruction from CF 22-1154 included involvement from the Bureau of Street Services in the crafting of the RFP has been removed in the new motion.

Appearance of Conflict of Interest?

In 2019, 2020 and 2021, prior to Tim McOsker’s election to City Council (in 2022), McOsker’s company, The McOsker Group, with Timothy McCosker as lobbyist, represented and lobbied on behalf of IKE Smart Cities LLC, the vendor with whom the Los Angeles Tourism and Convention Bureau entered into a Letter of Intent to implement the IKE digital advertising kiosk program in 2017. The McOsker group received \$ 162,000 in lobbying fees during that time period from IKE Smart City LLC. Earlier, Mr. McOsker was a registered lobbyist with Glaser, Weil, Fink, Howard, Avchen & Shapiro LLP representing IKE Smart City in both 2017 and 2018, registered to lobby Public Works and the City Council.

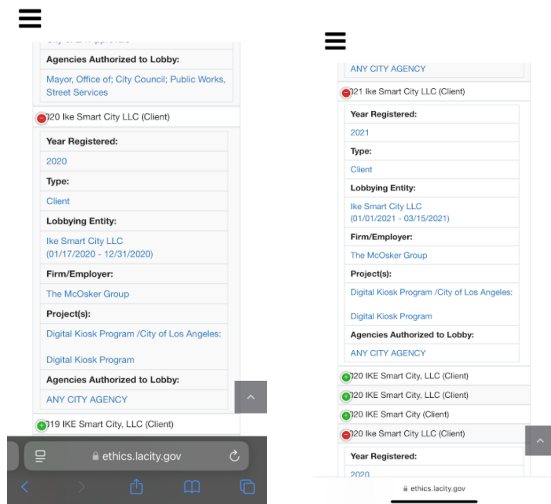
While adequate time has passed such that Mr. McOsker’s introduction of CF 22-1154-S1 is not a violation of the City’s ethics rules, it nonetheless raises serious concerns related to conflict of interest.

The McOsker Group received:

Q1-2021 \$ 15,000, Q 4 2020 \$22,500, Q3 2020 \$25,000, Q2 2020 \$40,000, Q1 2020 \$ 30,000, Q4 2019 \$20,000, Q3, 2019 \$10,000 for a total of \$ 162,000.

POSSIBLE MOTION: Does WRAC and/or individual Councils wish to introduce a motion to request that CM McOsker recuse himself from any future discussions or consideration of the interactive kiosk program given his past relationship as a registered lobbyist for IKE.

Should CM McOsker be asked to remove his motion in the interest of removing any appearance as to potential conflict of interest?



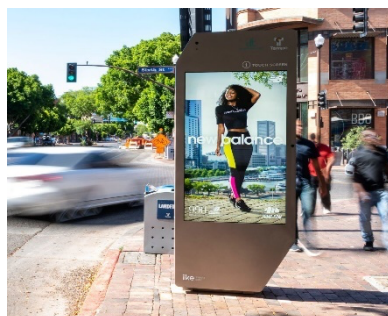
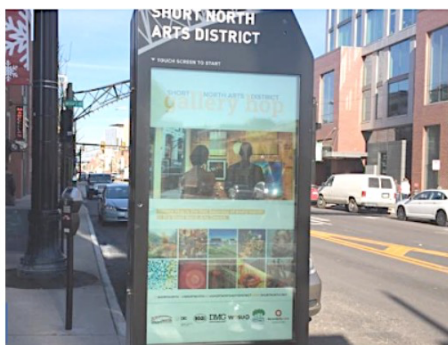
It should also be noted that IKE Smart Cities/Orange Barrel Media has had considerable media attention related to conflicts of interests /ethical issues in various municipalities where it has sought contracts.

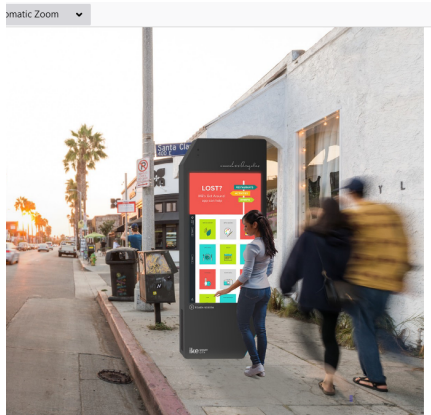
As the Tourism Dept. has already developed a working relationship with IKE Smart Cities (and sought to award a no-bid contract to them), additional staff should be involved in drafting any RFP to ensure that the document has not been drafted to favor a preferred bidder.

Many of the concerns that have been raised with other digital advertising programs also apply to this initiative. One has to question whether any decision-makers in City Hall have come to understand that littering our PROW with more and more ad structures not only adds distracting blight to our neighborhoods, but decreases the value of the already-approved advertising programs including the Metro TCN Program and most importantly, the STAP transit shelters/street furniture in which the City is making very significant investments.

The City should be pursuing a defined strategy to reduce sign blight while maximizing revenues from any signage that it does permit. That has not been discussed to date. Instead, the Council appears to be operating under the false belief that more signs will translate into more and more revenue when, in fact, the City will be competing with itself and chasing after outdoor ad monies that get shifted from one screen to the next.

Neighborhood councils are meant to be advisory bodies to the City. Why hasn't this program been formally presented to each neighborhood council for input and especially to the councils where interactive kiosk districts have been mapped?





A test kiosk on a Venice sidewalk. The street sign says “Santa Clara” so this was likely at Abott Kinney Blvd. and Santa Clara.

LA sidewalks are narrow as compared to many other cities. Urban forest advocates would likely prefer to see trees planted (or al fresco dining) where space allows – as opposed to digital advertising kiosks.

Year Registered:
2024
Type:
Lobbyist Employer
Lobbying Entity:
IKE Smart City LLC (01/01/2024 - 12/31/2024)
Firm/Employer:
IKE Smart City LLC
Project(s):
Digital Tourism Kiosks (10th Street Communications, Afriat Consulting Group, Arnie Berghoff & Associates, EKA, M Strategic Communications, also representing IKE Smart City LLC on this matter) /N/A (Council File 22-1154): Awaiting release of an RFP (on which we plan to bid) which will bring digital tourism/wayfinding kiosks to the City of Los Angeles; digital tourism kiosks play a crucial role in enhancing the tourism experience via an easily accessible touchscreen experience that provides multilingual information and services to visitors, including: maps and directions, live transit options, cultural attractions, accommodation and dining, local business directories, events calendars, social services, and emergency messaging. Once the RFP is closed, we will work to educate city stakeholders and leadership on the benefits of our product and best practices around implementation.
Agencies Authorized to Lobby:
ANY CITY AGENCY

Note how the “Project” states that IKE Smart Cities “will work to educate city stakeholders ad leadership on the benefits of our product and best practices around implementation” “Once the RFP is closed.” The fact is that they have been actively lobbying for the program and soliciting support for their company’s product for years. The activities in 2024 alone, well before any RFP has been issued, are shown below:

Lobbying Expenditures IKE Smart Cities LLC – most recent year 2024

Lobbyist Expenditure

Lobbying Expenditures IKE Smart Cities LLC – most recent year 2024

Lobbyist Expenditure
Q4-2024 - IKE Smart City LLC / Lobbyist Employer \$30,000 Support CF 22-1154
Q4-2024 - IKE Smart City LLC / In-House Lobbyists \$ 2,700 Support CF 22-1154
Q4-2024 - IKE Smart City LLC / Lobbyist Employer\$ 30,000 “ “
Q4-2024 - IKE Smart City LLC / Lobbyist Employer – Englander, Knabe & Allen \$9,270.00
Q4-2024 - IKE Smart City LLC / Lobbyist Employer - Afriat Consulting Grp \$49,727.65
Q4-2024 - IKE Smart City LLC / Lobbyist Employer- Afriat Consulting Grp \$49,727.65
Q4-2024 - IKE Smart City LLC / Lobbyist Employer- Englander, Knabe & Allen \$9,270.00
Q4-2024 - IKE Smart City LLC/ Lobbyist Employer- M Strategic Communications \$30,000
Q4-2024 - IKE Smart City LLC / Lobbyist Employer-Arnie Berghoff & Associates \$30,000
Q3-2024 - IKE Smart City LLC / Lobbyist Employer – In—House Lobbyists \$ 2,700
Q3-2024 - IKE Smart City LLC / Lobbyist Employer – Afriat Consulting Grp. \$28,437.78
Q3-2024 - IKE Smart City LLC / Lobbyist Employer- M Strategic Communications \$30,000
Q3-2024 - IKE Smart City LLC / Lobbyist Employer – Englander, Knabe & Allen \$23,175.00
Q3-2024 - IKE Smart City LLC / Lobbyist Employer Arnie Berghoff & Associates \$30,000
Q2-2024 - IKE Smart City LLC / Lobbyist Employer – Afriat Consulting Grp. \$36,973.66
Q2-2024 - IKE Smart City LLC / Lobbyist Employer Arnie Berghoff & Associates \$30,000
Q2-2024 - IKE Smart City LLC / Lobbyist Employer- M Strategic Communications \$30,000
Q2-2024 - IKE Smart City LLC / Lobbyist Employer – Englander, Knabe & Allen \$ 11,811.77
Q2-2024 - IKE Smart City LLC / Lobbyist Employer – In-House Lobbyists \$2,600.00
Q1-2024 - IKE Smart City LLC / Lobbyist Employer – In-House Lobbyists \$2,700.00
Q1-2024 - IKE Smart City LLC / Lobbyist Employer- M Strategic Communications \$30,000
Q1-2024 - IKE Smart City LLC / Lobbyist Employer – Afriat Consulting Grp \$ 17,945.14
Q1-2024 - IKE Smart City LLC / Lobbyist Employer Arnie Berghoff & Associates \$30,000
Q1-2024 - IKE Smart City LLC / Lobbyist Employer EKA \$ 12,400.00
Q1-2024 - IKE Smart City LLC / Lobbyist Employer 10 th Street Communications \$3,000.00