



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 29, 2011

FROM: REAL ESTATE

**SUBJECT: ORDER NO. _____ - RESETTING MARITIME EDUCATION
SPONSORSHIP COMPENSATION UNDER PERMIT NO. 837 WITH THE
PORT OF LOS ANGELES BOYS & GIRLS CLUB**

SUMMARY:

Permit No. 837 (Permit) between the City of Los Angeles Harbor Department (Harbor Department) and the Port of Los Angeles Boys & Girls Club (Club) grants non-exclusive, preferential use of approximately 18,200 square feet of space at the Liberty Hill Plaza Building, which consists of a gymnasium/multipurpose room, classrooms, and office space for the purpose of implementing educational and recreational programs for youths. The 20-year term Permit, which expires on October 15, 2021, is subject to a sponsorship amount adjustment every five years. The Board of Harbor Commissioners (Board), at its sole discretion, shall determine the sponsorship amount (currently \$100,000 per year).

It is now necessary to reset the sponsorship amount, recommended to remain at \$100,000 per year, to continue the programming and activities provided by the Club under the Permit for the upcoming five-year period of October 16, 2011 through October 15, 2016.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Adopt and approve the Order resetting sponsorship compensation for the Port of Los Angeles Boys & Girls Club in the amount of \$100,000 per year for the five-year period of October 16, 2011 through October 15, 2016;
2. Authorize the Board Secretary to attest to the Order fixing sponsorship compensation; and
3. Adopt Order No. _____.

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The Harbor Department-owned property, commonly known as the Liberty Hill Plaza, is used by two tenants: the Club and the Los Angeles WorldTots Child Care Center (WorldTots). Additionally, the facility houses the Harbor Department employee's gym and training room. The Club has operated at this site since October 2001 under the 20-year Permit. The Permit states that the premises shall be used for the following purposes: development and implementation of educational and recreational program for a youth group; fostering greater interest in and knowledge of the Port of Los Angeles, the harbor, the shipping industry, maritime commerce and other maritime-related subjects; to prepare participating boys and girls for higher education and the responsibilities of citizenship; and to provide such youth the encouragement and training necessary to achieve leadership positions in the maritime industry.

The Harbor Department continues to support the Club's endeavor by providing a rent-free facility and pays all costs for utilities, custodial, exterior maintenance, landscaping, and interior systems maintenance. The Club, in collaboration with and direction from the Harbor Department's Public Affairs staff, developed and implemented a maritime-related program called the Port Ocean and Land Awareness Program (P.O.L.A.), which has been in operation since 2004. The curriculum includes the Topsail at-risk youth sailing program, in association with Los Angeles Maritime Institute; Port of Los Angeles awareness classes; establishment of an ocean fishing club; and regular visits to maritime-related museums and lighthouses, with associated maritime educational curriculum activities conducted on-site at the Club. The P.O.L.A. program has been extremely well-received by its members. Additionally, the Club provides to each participant a comprehensive schedule of quality programs and services such as tutoring, math basics, Keystone Leadership Club, computer lab, beach clean-up, music programming, arts and crafts programming, cultural diversity programs, field trips, athletics, and College Bound, a college pathway program for middle and high school students. In all, the program outlined above reached 1,470 children in the past fiscal year.

In compliance with the terms of the Permit, the Harbor Department has received and reviewed the Club's annual activity report covering the period of July 1, 2010 through June 30, 2011. No injuries were reported, and the annual activity report complies with all the terms and conditions required under the Permit. For Fiscal Year 2010/2011, the building usage by outside sources totaled 11 governmental and other non-profit and community-based organizations as follows: LA Filipino Association of City Employees, Budgerigar Research Association, Youth Basketball through the Los Angeles Police Department, Dutch School Los Angeles, Port of Los Angeles annual meeting, Los Angeles Department of Water and Power, Port of Los Angeles children's holiday celebration, Preschool Without Walls, Sunrise Volleyball League, and Harbor Department employees (soccer and basketball year round).

The Club seeks to expand its relationship with the Port Police by engaging officers in its programming. In the current fiscal year, the Club would also like to divide the gymnasium court so that a variety of activities could be hosted at the same time.

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Although it is proposed that future years' compensation remain at \$100,000 per year for the next five years, as required under the Permit, future annual compensation will be dependent on the favorable results and review of the Club's annual activity report.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Order resetting sponsorship compensation for the Club. As an administrative activity, the Director of Environmental Management has determined that the proposed action 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 impact.

FINANCIAL IMPACT:

Consistent with current Harbor Department policy, maritime education sponsorship funding for the next five-year period (Transmittal 1) will again be allocated through the Corporate Communications Division to ensure that this funding is consistent with all other community organizations eligible for Harbor Department sponsorship, using an equitable set of standards, and for the Harbor Department to track all sponsorship funding through one funding source.

Fiscal Year	Amount
2011/12	\$100,000
2012/13	\$100,000
2013/14	\$100,000
2014/15	\$100,000
2015/16	\$100,000
TOTAL	\$ 500,000

Sponsorship of \$100,000 has been included in the Adopted Fiscal Year 2011/2012 Budget in Account 52031 (Sponsorships), Center 0220 (Corporate Communications), Program 621 (Maritime Education). Funding for Fiscal Years 2012 thru 2016 will be determined and allocated in its respective budget year, subject to review of the Club's annual activity report.

Based on a review of expenditures over the last 28 months for the Liberty Hill Plaza building, the annual maintenance cost for the building averaged \$101,226 per year (excluding the area occupied by WorldTots).

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CITY ATTORNEY:

The proposed Order has been approved as to form and legality by the Office of the City Attorney.

TRANSMITTAL:

1. Board Order

FIS Approval: VP (initials)
CA Approval: m (initials)


KARL K.Y. PAN
Interim Director of Real Estate


KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

KP:RV:PEW:mmm
Author: P. Weatherspoon
BL397mm Boys & Girls Club Comp Order