



THE PORT  
OF LOS ANGELES  
Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE: SEPTEMBER 21, 2011**

**FROM: REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PROPOSED REVOCABLE PERMIT  
WITH LOS ANGELES MARITIME INSTITUTE FOR USE OF PROPERTY AT  
BERTHS NO. 73 AND 78**

**SUMMARY:**

Los Angeles Maritime Institute (LAMI) is a 501(c)(3) non-profit organization that runs the TopSail Program which educates middle school students, many of whom are "at-risk" youths. It educates youths about the Port of Los Angeles and the maritime industry; develops communication and teamwork skills; and instills responsibility, leadership and self-esteem by providing character-building experiences, all of which take place in the setting of sailing a tall ship. The TopSail Program has been in operation since 1992, and the City of Los Angeles Harbor Department (Harbor Department) has been providing financial sponsorship since 1997. LAMI's TopSail Program is on the Harbor Department's approved sponsor list and also uses the dock at Berth 78 for the brigantines and the land at John S. Gibson Park (Berth 84 area) for the modular buildings on a no-charge basis.

As a result of the Downtown Harbor Water Cut Project, the modular buildings are scheduled for demolition and removal by October 2011, and require the relocation of the LAMI operations.

The Harbor Department proposes to enter into a Revocable Permit (RP) with LAMI, which will entitle LAMI use of 2,565 square feet (s.f.) of office space in the Harbor Department-owned building at Berth 73, and incorporate the premises under LAMI's existing Space Assignment No. 2004-30, which provides use of the docks at Berth 78 and the 14,420 s.f. of adjoining water space. Unit P-3, measuring approximately 516 s.f. at the Ports O' Call Village, will also be provided for use as a storefront as a sub-tenancy as provided under RP 03-04 with San Pedro Waterfront, LLC.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the proposed Revocable Permit with the Los Angeles Maritime Institute;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the proposed Revocable Permit; and

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3. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – The Downtown Harbor Water Cut Project is expected to commence in October 2011. This project will require the removal of a substantial portion of the John S. Gibson Park, upon which the modular buildings housing the LAMI operations are located. LAMI currently occupies the modular buildings, previously used to house the Los Angeles Fire Department during the construction of Fire Station 112 (Transmittal 2). In 1995, these modular buildings were donated to the Department of Recreation and Parks and were used for the Los Angeles Maritime Museum (Maritime Museum). Subsequently, LAMI, which had a sublease with the Maritime Museum, began occupying the modular buildings.

Under Space Assignment No. 2004-03, Supplement 2, effective December 1, 2004, LAMI was provided entitlement to the docks at Berth 78 and the adjoining 14,420 s.f. of water. Two brigantine vessels, the Irving Johnson and Exy Johnson, are berthed at this location.

As provided in San Pedro Waterfront, LLC's RP 03-04, LAMI will utilize space within the Ports O' Call Village premises at no charge. A portion of the dock and gangway used by LAMI is within the premises of RP 03-04, and additional storefront at Unit P-3 will also be provided upon LAMI's relocation.

Past Agreements – The Harbor Department has provided sponsorship since 1997 through various agreements in annual amounts ranging from \$200,000 - \$556,972. Most recently, on October 13, 2010, the Board approved Agreement No. 10-2890 for a term of three years and a sponsorship of \$350,000 per year (a three-year total of \$1,050,000).

Proposed New Revocable Permit – The proposed RP (Transmittal 1) will provide LAMI:

- 1) The use of 2,565 s.f. of office space at the foot of the San Pedro Slip area, Berth 73, in the same building occupied by Utro's Café. The premises will be used for offices, meeting rooms, a library, storage, and small-scale maintenance activities for the brigantines, and other activities in furtherance of the TopSail Youth Program deemed appropriate by the Harbor Department's Executive Director or designee; and
- 2) The use of the docks and 14,420 s.f. of water space at Berth 78 for the twin brigantine tall ships, the Irving Johnson and the Exy Johnson. Additional vessels may dock with prior written approval of the Harbor Department's Executive Director.

Additionally, the proposed RP will acknowledge the granting of the gangway and a portion of the docks at Berth 78, and Unit P-3 at the Ports O' Call Village under RP 03-04. Unit P-3 will be used for providing information on the TopSail Youth Program and volunteer opportunities, storage of materials and spare parts for the vessels, and minimal wood working operations for the maintenance of the brigantines.

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As a requirement for use of the premises, LAMI shall acknowledge the Harbor Department's permission to use the subject premises for the TopSail program in its signage and advertising brochures, literature, and promotions associated with the TopSail program. Additionally, as a condition of using the facilities on a no-charge basis, LAMI will be required to provide the Board with a comprehensive annual report of its operations in sufficient detail to provide the information needed to determine if the premises can continue to be provided on a no-charge monthly basis under the proposed RP.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a RP with LAMI for the use of Harbor Department-owned office space, the incorporation of LAMI's existing Space Assignment, and the use of a storefront at Ports O' Call under RP 03-04 with San Pedro Waterfront, LLC. LAMI is required to relocate their operations from their existing location as a result of displacement due to the Downtown Harbor Cut. As an activity involving the relocation of an existing use within a publicly-owned facility, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1(24) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

This Board action will have no direct job impact for the five-county region.

**FINANCIAL IMPACT:**

The monthly value of the premises proposed to be used by LAMI on a no-charge basis is as follows:

2,565 s.f. of office space at Berth 73:	\$2,821.50
Dock area and 14,420 s.f. of water area:	\$3,005.82
516 s.f. of storefront at Ports O' Call:	\$ 621.50
Total value of forgone rent:	\$6,448.82

The above total represents forgone compensation that the Harbor Department could have received if rented out. In addition, the Harbor Department has sponsored LAMI's TopSail Program since 1997, as detailed in the body of this report, most recently in October 2010 in the amount of \$1,050,000 for a three-year period.

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**CITY ATTORNEY:**

The proposed RP is subject to approval as to form and legality by the Office of the City Attorney.

**TRANSMITTALS:**

1. Proposed Revocable Permit
2. Site Map

FIS Approval: ksf (initials)

CA Approval: m (initials)

  
KARL K.Y. PAN  
Interim Director of Real Estate

  
KATHRYN McDERMOTT  
Deputy Executive Director

APPROVED:

  
GERALDINE KNATZ, Ph.D.  
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