



DATE: NOVEMBER 12, 2013

FROM: ENVIRONMENTAL MANAGEMENT

**SUBJECT: RESOLUTION NO. _____ - CHINA SHIPPING PORT
COMMUNITY AESTHETIC MITIGATION PROJECT – AGREEMENT
WITH THE LOS ANGELES MARITIME INSTITUTE TO FUND THE
RESTORATION OF THE TALL SHIP *SWIFT OF IPSWICH***

SUMMARY:

In July 2009, the Board of Harbor Commissioners (Board) awarded the Los Angeles Maritime Institute (LAMI) \$771,000 to fund the restoration of their tall ship, *Swift of Ipswich*, and 40 days of youth sailing programming for the Wilmington community (Project). In July 2010, the Board approved a three-year agreement with LAMI to fund the Project. LAMI has been working on the restoration of the vessel and has expended \$628,792 of the \$771,000, but was unable to complete the Project as expected prior to the expiration of the agreement. LAMI is now prepared to finalize the Project. It is recommended that the Board approve a new Agreement between the City of Los Angeles Harbor Department (Harbor Department) and LAMI (Agreement) in the not-to-exceed amount of \$142,208 for a term of three years. The first year is to complete the restoration of the vessel. Years two and three are to carry out 40 days of youth programming on the vessel.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the Agreement with the Los Angeles Maritime Institute substantially as to the form attached hereto in the not-to-exceed amount of \$142,208 for a term of three years;
2. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement, for and on behalf of the Board; and
3. Adopt Resolution No. _____.

DATE: NOVEMBER 12, 2013

PAGE 2 OF 5

SUBJECT: AGREEMENT WITH THE LOS ANGELES MARITIME INSTITUTE FOR
THE *SWIFT OF IPSWICH* PROJECT

DISCUSSION:

Aesthetic Program Background/Context - The Harbor Department created a five-year Community Aesthetic Mitigation Program in 2003. Funding and program requirements were established through the China Shipping Settlement Agreement, which was approved in March 2003, and later amended in June 2004. The program mandated that the aesthetic mitigation funds under the Amended Stipulated Judgment (ASJ) be expended for improvements that would reduce aesthetic mitigation impacts resulting from Port of Los Angeles operations. The money was divided between the San Pedro and Wilmington communities.

Project Selection Process - This Project resulted from the January 2009 solicitation for projects for the Wilmington community and was recommended by a working group from Wilmington and the Port Community Advisory Committee. The Board approved and allocated \$771,000 in China Shipping Community Aesthetic Mitigation funding for the Project in July 2009.

Project Background/Context – LAMI was founded in 1992 and operates the TopSail Youth Program, which uses sail training to challenge youth to develop team-building, problem-solving, and decision-making skills. The *Swift of Ipswich* is a seventy-year-old wooden square topsail schooner owned by LAMI that has been used in the TopSail Youth Program since 1992. The *Swift of Ipswich* was taken out of service for repair in 2006. In July 2010, LAMI entered into Agreement 10-2889 with the Harbor Department for a term of three years in an amount not-to-exceed \$771,000 to complete the vessel restoration and return it to service. Of the \$771,000, \$686,000 was allocated for vessel restoration and \$85,000 for 40 days of youth sailing programming for the two years following the re-commissioning of the vessel. Any renovation expense above the \$686,000 is the responsibility of LAMI. The 40 days of sailing programs over two years include: i) ten TopSail days per year for a sailing program targeting Wilmington Middle School students; and ii) ten days per year for a dockside program targeting Wilmington fifth grade students.

At the time of the award of funds, the restoration of the vessel was sixty percent complete. The renovation was conducted at Gambol Boatyard in Long Beach and managed by LAMI volunteers. It was anticipated that the restoration would be finalized by summer 2011 and the 40 days of youth sailing programming would be complete by summer 2013. Instead, the Project was delayed primarily because the extent of work required to complete the vessel caused the vessel to be re-evaluated by current United State Coast Guard (USCG) regulations for stability. The magnitude of effort to meet current USCG requirements was unforeseen by LAMI. In addition, LAMI has not been satisfied with the performance of the current boatyard and has selected another boatyard to complete the renovation of the vessel in accordance with this Agreement.

DATE: NOVEMBER 12, 2013

PAGE 3 OF 5

SUBJECT: AGREEMENT WITH THE LOS ANGELES MARITIME INSTITUTE FOR THE SWIFT OF IPSWICH PROJECT

Cost and Term of Agreement - To date, LAMI has expended \$628,792 of the \$771,000. The current project costs include restoration completion, re-commissioning, and youth programming for a cost not-to-exceed \$142,208. Of the \$142,208, \$57,209 is available for vessel restoration and \$85,000 for 40 days of sailing programs for the Wilmington community. In the unlikely event that the entire \$57,209 is not used for restoration, any remaining amount will be applied to additional days of programming. As stated above, LAMI is committing to 20 days of TopSail for Wilmington Middle School students and 20 days of a dockside program for Wilmington fifth grade students, over a two-year period.

Payments will be made in accordance with Exhibit A of the proposed Agreement (Transmittal 1). LAMI is required to provide progress invoicing to verify that the \$57,209 is being used for restoration in accordance with the Project scope. If the completion of the vessel restoration will take longer than the first year of the contract, the Executive Director will have the option to reevaluate the project, and if necessary, return to the Board for further action.

When the vessel restoration and commissioning is complete, LAMI will receive two annual lump sum payments for the 20 days per year of programming as follows: \$43,000 within 60 days of receipt of written verification of restoration completion and \$42,000 within 60 days of written request from LAMI upon successful completion of the first year of programming. LAMI is required to submit written verification detailing the days of programming at the end of each year to reconcile the receipt of funds. The programming will be conducted by LAMI members who are volunteers. The volunteers will not financially benefit from this grant. The term of this Agreement is three years from the date of execution. Ongoing maintenance of the vessel will be undertaken by LAMI.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a new three-year agreement with LAMI to fund the completion of the restoration of the *Swift of Ipswich* and an associated youth sailing program, which was previously approved under the Community Aesthetic Mitigation Program. The term of the original three-year agreement expired before the Project could be completed. The new Agreement is for the remaining unspent amount from the original agreement. Therefore, as an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

DATE: NOVEMBER 12, 2013

PAGE 4 OF 5

**SUBJECT: AGREEMENT WITH THE LOS ANGELES MARITIME INSTITUTE FOR
THE *SWIFT OF IPSWICH* PROJECT**

ECONOMIC BENEFITS:

Approval of the proposed Agreement will have no additional employment impact. Economic Benefit under the original agreement associated with the restoration of the tall ship was estimated to support eight one-year equivalent jobs for the five-county region.

FINANCIAL IMPACT:

The proposed Board item requests approval of an Agreement that renews the commitment the Harbor Department made to fund the completion of this Project, per the ASJ, in the total not-to-exceed amount of \$771,000. To date, \$628,792 has been expended.

It is anticipated that \$100,208 will be expended in Fiscal Year 13/14 and \$42,000 in Fiscal Year 14/15. Funds for this Project are available in Account No. 21952, Community Aesthetics Mitigation, Center 7000, and Program 000.

DATE: NOVEMBER 12, 2013

PAGE 5 OF 5

SUBJECT: AGREEMENT WITH THE LOS ANGELES MARITIME INSTITUTE FOR
THE *SWIFT OF IPSWICH* PROJECT

CITY ATTORNEY:

The City Attorney's Office prepared the agreement and approved it as to form and legality.


TRANSMITTAL:

1. Agreement with the Los Angeles Maritime Institute

FIS Approval: WR (initials)
CA Approval: CRB (initials)



CHRISTOPHER CANNON
Director of Environmental Management


for MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



for GARY LEE MOORE, P.E.
Interim Executive Director

AUTHOR: TERESA PISANO
BOARD MEETING: 11/21/2013

FILE: G:\ADMIN\BOARD REPORTS\AIR QUALITY\CHINA SHIPPING ASJ COMPLIANCE\AESTHETIC MITIGATIONS\LA MARITIME INSTITUTE
(LAMI)\LAMI 2013\ENV\LAMI-SWIFT OF IPSWICH - FINAL.docx
UPDATED: 11/12/2013 10:26 AM - YO