



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JUNE 27, 2013

FROM: ENVIRONMENTAL MANAGEMENT

**SUBJECT: RESOLUTION NO. _____ - CHINA SHIPPING PORT
COMMUNITY AESTHETIC MITIGATION PROJECT – AGREEMENT TO
FUND THE YMCA AQUATICS CENTER**

SUMMARY:

On February 21, 2008, the Board of Harbor Commissioners (Board) approved the Wilmington Young Men's Christian Association (YMCA) Aquatics Center and Related Programs project (Project) and allocated China Shipping Community Aesthetic Mitigation funding for this Project. On October 15, 2009, the Board approved a three year funding Agreement for the Project. The Agreement expired on January 5, 2013. The YMCA was unable to begin construction and no funds were disbursed to the YMCA. The YMCA is now prepared to commence with construction of the Project and has requested a new agreement. It is now recommended that the Board approve the proposed Agreement (Transmittal 1) to fund the Wilmington YMCA Aquatics Center in an amount not-to-exceed \$2,720,653 for a term of three years.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the Agreement with the Young Men's Christian Association substantially as to the form attached hereto in an amount not-to-exceed \$2,720,653 for a term of three years;
2. Authorize the Executive Director and the Board Secretary to execute and attest to said Agreement, for and on behalf of the Board; and
3. Adopt Resolution No. _____.

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SUBJECT: YMCA AQUATICS CENTER AND RELATED PROGRAMS

DISCUSSION:

Aesthetic Program Background - The City of Los Angeles Harbor Department (Harbor Department) created a five-year Community Aesthetic Mitigation Program in 2003. The program required that the aesthetic mitigation funds be expended for improvements that would reduce aesthetic mitigation impacts resulting from Port of Los Angeles (Port) operations. 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 money was divided between the San Pedro and Wilmington communities.

Project Selection and Background - This Project resulted from the January 2007 solicitation for projects for the Wilmington Community. At that time, the Port Community Advisory Committee (PCAC) received and evaluated 17 aesthetic mitigation projects and, in December 2007, recommended five projects for funding, one of which was the YMCA Aquatics Center and Related Programs project. On February 21, 2008, the Board approved the YMCA Aquatics Center and Related Programs project and allocated \$2,723,762 of China Shipping Community Aesthetic Mitigation funding for this Project.

YMCA Project - The Project was proposed by the YMCA of Wilmington, a branch of the San Pedro and Peninsula YMCA. The YMCA has approximately 87,000 visitors annually. There is currently no pool at the center located at 1127 North Avalon Boulevard in Wilmington. The Aquatics Center project, as proposed, consists of designing and building a swimming pool and family aquatics center and funding for one year of program support. The new pool and Aquatics Center will allow the YMCA to expand its offering of programs in three areas: 1) programs that promote healthy activity and general well being; 2) programs that teach water safety; and 3) career development programs that teach water-related job skills and provide paths toward employment in jobs around water, the ocean, and the Port. All members of the general public will be eligible to use the pool and participate in YMCA programs.

Background/Context - In February 2010, the Harbor Department entered into Agreement No. 09-2809 with the YMCA for a term of three years to fund this Project. At that time, the Harbor Department also contracted with Union Bank to hold the YMCA grant award per the YMCA's request.

Due to a budget shortfall of \$500,000, the YMCA was unable to begin construction during the term of the agreements. The budget shortfall was due to unanticipated Building and Safety requirements, including electrical improvements and the necessity to design and install methane barriers.

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The YMCA requested additional funds from the Harbor Department. In response, the Harbor Department's Executive Director informed the YMCA that the funds previously allocated for one year of program support, which totals \$123,762, could be used for construction (Transmittal 2). An Amendment to the Agreement to reflect this change was prepared by the Harbor Department, but never executed by the YMCA because they were unable to ensure that they had sufficient funding to move forward with the Project at that time. The original agreements expired in January 2013 and the funds held in escrow by Union Bank have been returned to the Harbor Department, of which after deducting administrative fees, \$2,720,653 remains available.

The YMCA continues to fundraise and apply for grants, and the YMCA of Metropolitan Los Angeles has committed to advance the remaining funds, up to \$500,000, to the YMCA of Wilmington so they can move forward with the Project.

Cost and Term of Agreement - The new Agreement provides funds for the design, permits, and construction of an enclosed swimming pool and Aquatics Center, which includes changing and shower facilities. Payments will be made to the YMCA in accordance with Section V.D. of the subject Agreement. The YMCA is required to submit progress reports throughout the life of the Project. The term of the Agreement is three years, although the YMCA expects construction to be completed by 2015. Ongoing maintenance and operation of the facility are the responsibility of the YMCA.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of funds for design, permitting, and construction of an enclosed swimming pool and Aquatics Center, which was previously assessed for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA) by the City Planning Department as the lead agency. As such, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

The Project associated with the proposed Agreement will support 42 one-year equivalent jobs for the five-county region.

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FINANCIAL IMPACT:

Approval of this Agreement commits the Harbor Department to fund the Project for the Wilmington YMCA Aquatics Center, per the settlement Agreement between the City of Los Angeles and the Natural Resources Defense Council, in the total not-to-exceed amount of \$2,720,653.

Funds for this Project are available in Account No. 21952, Community Aesthetics Mitigation, Center 7000, and Program 000. Funding will cover the design, permits, and construction expenses. The YMCA is responsible for all aspects of the Project. Any ongoing operational and maintenance expenses are the responsibility of the YMCA. It is anticipated that funds for this Project will be expended from the escrow account as follows:

FY 13/14	\$ 2,525,000
FY 14/15	\$ 195,653
Total:	<u>\$ 2,720,653</u>

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CITY ATTORNEY:

The Office of the City Attorney has prepared the Agreement and approved it as to form and legality.

TRANSMITTALS:

1. Wilmington YMCA Aquatic Center Agreement
2. Letter to the YMCA from Dr. Geraldine Knatz



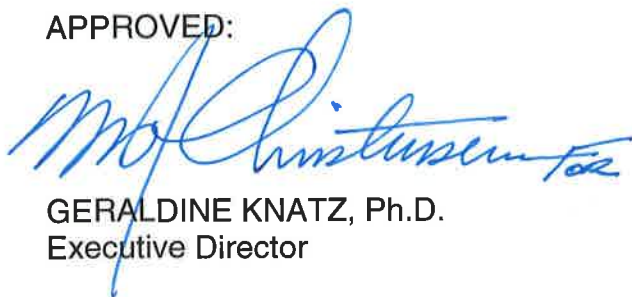
CHRISTOPHER CANNON
Director of Environmental Management

FIS Approval:  (initials)
CA Approval:  (initials)



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: TERESA PISANO
BOARD MEETING: 7/9/13

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