



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

**DATE: SEPTEMBER 22, 2015**

**FROM: COMMUNITY RELATIONS**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - COMMUNITY INVESTMENT  
GRANTS FOR INTERNATIONAL TRADE EDUCATION  
PROGRAMS, INC. AND LOS ANGELES MARITIME INSTITUTE**

**SUMMARY:**

The City of Los Angeles Harbor Department (Harbor Department) is proposing to enter into agreements with International Trade Education Programs, Inc. (ITEP), Carson, CA, and Los Angeles Maritime Institute (LAMI), San Pedro, CA, to fund Community Investment Grants supporting their educational programs (Agreements).

ITEP and LAMI were selected through the Community Investment Grant Program process, and the selection committee is recommending the Board of Harbor Commissioners (Board) approve sponsorships for two years in the yearly amount of \$340,000 for ITEP and \$255,000 for LAMI. The total proposed grant amounts over two years is \$1,190,000. The Harbor Department is financially responsible for funding the grants.

**RECOMMENDATION:**

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

1. Find that the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2 (f), of the Los Angeles City CEQA Guidelines;
2. Find that, in accordance with City Charter Section 1022, the scope of work of the proposed Agreements are temporary and occasional in nature and is best completed by a contractor on an interim basis;
3. Find that the proposed Community Investment Grants are consistent with the criteria of the Board-approved Sponsorship/Hosting Policy (March 2010) and the Fiscal Year 2015/16 Community Investment Program (June 2015);
4. Approve the Agreement with ITEP for a term of two years and a total not-to-exceed amount of \$680,000;

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5. Approve the Agreement with LAMI for a term of two years and a total not-to-exceed amount of \$510,000; and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context – As presented to the Board on June 18, 2015, for Fiscal Year (F/Y) 2015/16, a Community Investment Grant Program was initiated for the funding of a variety of community programs benefitting both the Harbor Department and the Harbor area. A selection committee of six members with familiarity of the Harbor communities was named consisting of three Harbor Department employees, two community representatives and one Council District 15 representative. Community grant proposals were broken into three categories: Small Grants - \$5,000 and under; Medium Grants - \$5,001 to \$99,999; and Large Grants - \$100,000 and over. For the large grants, all six members rated the proposals and discussed appropriate funding level – grants could be made up to the requested amount. Both the ITEP and LAMI applications came in under the “large” category with requests of \$400,000 in funding for each. The selection committee is recommending funding at \$340,000 and \$255,000 per year respectively for a period of two years, thus necessitating Board action as the amount exceeds the Executive Director’s authority level of up to \$150,000 and a one year term.

**ITEP** - In 1999, International Trade Education Programs, Inc. was founded as a pilot program to promote international trade education called the International Trade Academy on the campus of Banning High School in Wilmington. ITEP has since developed four model academies on that campus: International Trade Academy; Global Safety and Security Academy; Global Environmental Sciences Academy; Maritime Agriculture, Tourism, Cuisine and Hospitality Academy. Five additional academies are running in San Pedro, Gardena, Barstow, Long Beach and Carson.

In addition to classroom and campus-based activities, ITEP and its maritime industry sponsors provide valuable, future-focused learning experiences for each academy group. For example, the International Trade Academy group annually participates in the National Youth Leadership Foundation program in Washington, D.C., funded by Pasha Stevedoring & Terminals, while the Global Safety and Security Academy annually sends a select group of students for training at the California Maritime Academy in Vallejo through sponsorship by Nautilus International Holding Corporation.

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Approximately 100 ITEP students entering their senior year in 2015 participated in the Summer Intern Program, in which the Harbor Department participates, and places these students in maritime organizations. The students receive a practical introduction to careers in maritime commerce, environmental firms and security sectors. The creation of a strong, stable work environment greatly benefits the

Harbor Department, and the maritime industry exposure offered by the ITEP program helps generate awareness, interest and preparation among the next generation of maritime industry professionals.

**LAMI** - TopSail is a program of the Los Angeles Maritime Institute, a non-profit, public benefit corporation which operates in conjunction with the Los Angeles Maritime Museum. TopSail is an experiential education program for at-risk youth which has been in operation since 1992. The program consists of three to five one-day sails in and around San Pedro Bay with the option of a multi-day voyage, usually to Catalina Island. TopSail's programs use the twin brigantines, the *Exy Johnson* and the *Irving Johnson*, the Official Tallships of the City of Los Angeles.

TopSail is known as a highly successful program which promotes teamwork, teaches responsibility and encourages leadership and self-esteem by providing character-building opportunities. At the same time, the youths receive educational information regarding the Port of Los Angeles (Port) and the maritime industry. For some of the participants, the TopSail voyages represent their first awareness of the Port and its operations. Testimonials from educators, participants and others indicate that the TopSail experience has served to encourage the majority of the students to stay in school and lead more productive lives.

Past Agreements –

**ITEP** - In FY2006/07, the Board of Harbor Commissioners approved Agreement E2490, a one-year grant of \$440,000 to specifically assist ITEP with the expansion of its maritime education programs, start-up costs for establishing ITEP as an independent, non-profit corporation, and for development of marketing materials to solicit corporate sponsorships. In a letter dated December 14, 2005, the State Tidelands Commission approved utilization of Harbor Department revenue for this program and provided recommendations on future funding. The State Tidelands Commission stated that compliance with the recommendations were within the Harbor Department's discretion, but not mandated by the Commissions' granting statute or existing public trust doctrine. In all subsequent actions, the Board of Harbor Commissioners has exercised its authority to determine the level of funding and how those funds should be used.

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The Board subsequently approved Agreement E2646, providing funding of \$400,000 each year for FY 2007/08 and FY 2008/09 to assist with development of a model academy for potential implementation on a regional or state-wide basis. ITEP met or exceeded all requirements of Agreement E2646, including the establishment of academies at San Pedro High School, Barstow High School in the Inland Empire, Excel High School in Oakland and at high schools in Gardena and Carson.

Funding was not provided to ITEP in FY 2009/10 because they were able to operate with funds received from the Harbor Department at the end of the 2008/09 fiscal year.

The Board approved Agreement 10-2897 in 2010, a three-year agreement which continued to provide ITEP with \$400,000 per year for its programs.

The Board approved Agreement 13-3154 on August 12, 2013, in the amount of \$400,000 for the academic year ending June 30, 2014.

The Board approved one-year Agreement 14-3266 in 2014 in the amount of \$330,000 through the Community Investment Grant Program.

**LAMI** - The Board of Harbor Commissioners initially approved a two-year agreement with LAMI for TopSail in March 1997 for Fiscal Years 1997/98 and 1998/99, for a total of \$200,000 per year. At the conclusion of the second year, the success of the program was re-evaluated prior to eventual sponsorship of a third and fourth year at the same level.

Agreement No. 2177 was approved in March 2002 for annual sponsorship of \$300,000 for an additional three-year period. Subsequently, the Board approved the first Amendment to Agreement No. 2177 which increased the annual sponsorship by \$467,000 to assist with capital repayment costs for the completion of twin brigantines commissioned on April 27, 2002. Both actions were also approved by the City Council. Agreement No. 2177 covered fiscal years 2001/02, 2002/03 and 2003/04.

Agreement No. 2330 was approved in July 2004 for annual sponsorship of \$450,000 for an additional three-year period. This action was approved by the City Council in September 2004. Agreement 2330 covered fiscal years 2004/05, 2005/06 and 2006/07.

Agreement No. 2581 was approved on February 27, 2007. This agreement was for three years with a sliding financial package starting at \$525,000 and increasing three percent each year for a final year compensation of \$556,972.

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Agreement No. 10-2890, was approved on October 13, 2010. This agreement was for three years with a financial package of \$350,000 a year for a total amount of \$1,050,000. An amendment to this agreement in the amount of \$175,000 continued funding of the LAMI program through the end of calendar year 2013.

Agreement 13-3213 was approved on December 12, 2013 for \$175,000 bringing total funding in Fiscal Year 2013/14 to \$350,000.

The Board approved one-year Agreement 14-3267 in 2014 in the amount of \$225,000 through the Community Investment Grant Program.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval to enter into Agreements with ITEP and LAMI for Community Investment Grants in support of their educational programs. 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.

**ECONOMIC BENEFITS:**

Approval of the proposed Agreements will support 21 direct and 9 secondary one-year equivalent jobs for the five-county region.

**FINANCIAL IMPACT:**

Approval of the proposed Agreements will commit the Harbor Department to fund the ITEP agreement at \$340,000 annually and the LAMI agreement at \$255,000 annually, for two years each. Funds in the amount of \$595,000 have been budgeted in the fiscal year 2015/16 budget in Account 52031 (Sponsorships), Center 220 (Community Relations), Program 000 (Base Budget). If the agreements are approved, \$595,000 (\$340,000 for ITEP and \$255,000 for LAMI) will again be requested to be budgeted as part of the Harbor Department's annual budget adoption process in the 2016/17 fiscal year budgets. The total proposed grant amounts for ITEP and LAMI over two years is \$1,190,000. If future fiscal year funds are not appropriated by the Board for the work in any subsequent fiscal year as by the agreement, the Agreements shall be terminated. There is a funding-out clause that terminates the Harbor Department's obligations in the event of non-appropriation of funds, in the Agreements. However, such termination shall not relieve the parties of liability for any obligation previously incurred.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the two Agreements  
as to form and legality.

TRANSMITTALS:

1. Agreement with ITEP
2. Agreement with LAMI

FIS Approval MB (initials)  
CA Approval gmc (initials)

  
THERESA ADAMS LOPEZ  
Director of Community Relations

  
DOANE LIU  
Deputy Executive Director & Chief of Staff

APPROVED:

  
EUGENE D. SEROKA  
Executive Director  
*for*

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