



Executive Director's

Report to the

Board of Harbor Commissioners

**DATE: JULY 31, 2014**

**FROM: PUBLIC RELATIONS**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - COMMUNITY INVESTMENT  
GRANT FOR INTERNATIONAL TRADE EDUCATION  
PROGRAMS, INC.**

**SUMMARY:**

The City of Los Angeles Harbor Department (Harbor Department) is proposing to enter into an Agreement with International Trade Education Programs, Inc. (ITEP), Glendale, CA, for a Community Investment Grant supporting their educational program, which provides maritime industry-related curricula in high schools in various California regions for the purpose of promoting international trade job and career opportunities. The Harbor Department and its customers (ITEP's other primary funding source) benefit from having a large, knowledgeable labor pool available for the variety of jobs associated with its operations.

ITEP was selected through the Community Investment Grant Program process, and the committee is recommending the Board of Harbor Commissioners (Board) approve sponsorship for one year in the amount of \$330,000.

**RECOMMENDATION:**

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

1. Find that, in accordance with City Charter Section 1022, the scope of work of the proposed Agreement is of a temporary and occasional nature and is best completed by a contractor on an interim basis;
2. Find that the proposed Community Investment Grant is consistent with the criteria of the Board-approved Sponsorship/Hosting Policy (March 2010);
3. Approve the Agreement with ITEP for a term one year and a total not-to-exceed amount of \$330,000;
4. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context – As presented to the Board on April 3, 2014, for Fiscal Year 2014/15, a Community Grant Investment 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 seven members with familiarity of the Harbor communities was named consisting of four Harbor Department employees, two community representatives and one Council District 15 representative. Community grant proposals were broken into three categories: Small - \$5,000 and under; Medium - \$5,001 to \$99,999; and Large - \$100,000 and over. For the large grants, all seven members rated the proposals and discussed appropriate funding level – grants could be made up to the requested amount. The ITEP application came in under the “large” category with a request of \$400,000 in funding. The selection committee is recommending funding at \$330,000, thus necessitating Board action as the amount exceeds the Executive Director’s \$150,000 authority level.

In 1999, International Trade Education Programs, Inc. was founded as a pilot program 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.

The ITEP administration has worked diligently over the years to obtain maritime industry partners and contributors to fund its programs and has had moderate success. Requested funding under the proposed grant constitutes 35 percent of the operating budget.

Approximately 90 ITEP students entering their senior year in 2014 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

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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.

In 2013, ITEP reported that 84 percent, or 957 of its graduates, were pursuing post-secondary education and 18 graduates were enrolled in the California Maritime Academy.

From the class of 2012, 115 graduates responded to a survey of ITEP alumni. Of those, 65 or 57 percent, reported working in port-related fields. Efforts continue to effectively track the students from ITEP academy programs after graduation, tracking their attendance at colleges and universities, and their eventual employment. ITEP is also creating Internet-based channels for post high school networking and job placement support for academy participants.

Past Agreements – 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 Port revenue for this program and provided recommendations on future funding. The State Tidelands Commission stated that compliance with the recommendations were within the Port of Los Angeles' 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.

The Board subsequently approved Agreement E2646, providing funding of \$400,000 each year for FY2007/08 and FY2008/09 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 Port 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.

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

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Proposed Funding – The ITEP grant application outlines several programs that will be supported with Harbor Department funds: education on the crucial nature of international trade to the economy through in-class assignments, job shadowing and internships; the annual GPS Your Future event which brings high-growth job sector representatives to the students in a meaningful and productive job-fair type environment; and the Scholarship Dinner where students directly interact with industry executives at all levels and scholarships are presented; and participation in a variety of community organizations. This grant would also promote maritime history and education; educate about safety and security at the Port of Los Angeles through its Global Safety and Security Academy; promote waterfront tourism by arranging for student participation in events; educate on ways to improve the environment through its programs and academies; and promote the sustainability of the Port of Los Angeles through events such as Earth Day and academy curriculum.

The proposed funding is for one year and a total not-to-exceed amount of \$330,000.

Sponsorship/Hosting Policy – The proposed Agreement is consistent with the criteria of the Sponsorship/Hosting Policy approved by the Board in March 2010.

#### **ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval to enter into an Agreement with ITEP for a Community Investment Grant in support of their educational program for maritime industry-related curricula. 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:**

The economic benefits of the ITEP program grant is the education of a wide base of community members and potential future advocates, plus creation of a larger Port-industry and international trade work force.

#### **FINANCIAL IMPACT:**

Approval of the proposed grant will commit \$330,000 to fund this one-year grant agreement. Funds in the amount of \$330,000 have been budgeted in the fiscal year 2014-15 budget in Account 52031 (Sponsorships), Center 220 (Public Relations), Program 000 (Base Budget).

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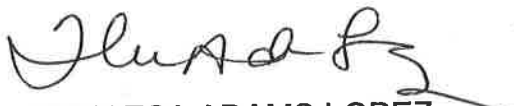
CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved this Agreement as to  
form and legality”

TRANSMITTAL:

1. Agreement

FIS Approval IKB (initials)  
CA Approval GR (initials)

  
THERESA ADAMS LOPEZ  
Director of Public Relations

  
CYNTHIA RUIZ  
Deputy Executive Director

APPROVED:

  
EUGENE D. SEROKA  
Executive Director

  
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