



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

**DATE: AUGUST 8, 2017**

**FROM: COMMUNITY RELATIONS**

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

**SUMMARY:**

Staff requests approval of agreements with International Trade Education Programs, Inc. (ITEP), Carson, CA, and Los Angeles Maritime Institute (LAMI), San Pedro, CA, for Community Investment Grants supporting their educational programs (Agreements).

ITEP and LAMI were selected through the Community Investment Grant Program process, and the committee is recommending the Board of Harbor Commissioners (Board) approve sponsorship for two years in the yearly amount of \$350,000 for ITEP, for a total of \$700,000, and \$275,000 for LAMI, for a total of \$550,000, with a combined two-year total of \$1,250,000. The Harbor Department is financially responsible for funding under the proposed sponsorships.

**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 the proposed Community Investment Grants are consistent with the criteria of the Board-approved Sponsorship/Hosting Policy (March 2010);
3. Approve the Agreement with ITEP for a term of two years and a total not-to-exceed amount of \$700,000;
4. Approve the Agreement with LAMI for a term of two years and a total not-to-exceed amount of \$550,000; and
5. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context – As presented to the Board on July 20, 2017, for Fiscal Year 2017/18, 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 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 - \$5,000 and under; Medium - \$5,001 to \$99,999; and Large - \$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 \$350,000 and \$275,000 respectively for a period of two years, thus necessitating Board action as the amount exceeds the Executive Director’s \$150,000 authority level and the term is longer than one year.

**ITEP** - 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; and 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.

Approximately 100 ITEP students entering their senior year in 2016 participated in the Summer Intern Program, in which the Harbor Department is a host where they were placed 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.

**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 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.

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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.

The Board approved Agreement 13-3154 on August 12, 2013, in the amount of \$400,000 for the academic year ending June 30, 2014 and in 2014, a one year agreement in the amount of \$330,000 was approved.

The Board approved Agreement 15-3350 on October 15, 2015, a two year agreement through the Community Investment Grant program in the amount of \$680,000 total.

**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 through 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 through 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.

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.

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Agreement 13-3213 was approved on December 12, 2013 for \$175,000 bringing total funding in Fiscal Year 2013/14 to \$350,000 and in 2014 a one year agreement for \$225,000 was approved.

The Board approved Agreement 15-3351 on October 15, 2015, a two year agreement through the Community Investment Grant program in the amount of \$510,000 total.

**ENVIRONMENTAL ASSESSMENT:**

Find 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 as determined by the Director of Environmental Management.

**FINANCIAL IMPACT:**

Approval of the proposed grants will commit \$700,000 to ITEP and \$550,000 to LAMI to fund each of these two-year grant agreements for a total of \$1,250,000. Funds in the amount of \$625,000 have been budgeted in the fiscal year 2017-18 budget in Account 52031 (Sponsorships), Center 220 (Public Relations), Program 000 (Base Budget). If the agreements are approved, \$625,000 (\$350,000 for ITEP and \$275,000 for LAMI) will again be requested to be budgeted as part of the Harbor Department's 2018-19 annual budget adoption process. 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. 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 these two  
Agreements as to form and legality.

**TRANSMITTAL:**

1. Grant Applications
2. Agreement – ITEP
3. Agreement - LAMI

FIS Approval MB (initials)  
CA Approval JA (initials)

  
THERESA ADAMS LOPEZ  
Director of Community Relations

  
ARLEY BAKER  
Senior Director of Communications

APPROVED:

  
EUGENE D. SEROKA  
Executive Director

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