



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: SEPTEMBER 1, 2016**

**FROM: WATERFRONT & COMMERCIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVE FIRST AMENDMENT TO REVOCABLE PERMIT NO. 11-04 WITH THE LOS ANGELES MARITIME INSTITUTE**

**SUMMARY:**

Staff requests approval of the First Amendment to Revocable Permit No. 11-04 (RP 11-04) with the Los Angeles Maritime Institute (LAMI) to allow for continued operation and expansion of their TopSail Youth Program for middle and high school students, including at-risk youth, in maritime education and hands-on tall-ship sailing. The amendment would increase LAMI's current operations, consisting of 2,565 square feet (s.f.) of office space at Berth 73 and nonexclusive use of 14,420 s.f. of dock/water area at Berth 78. Areas to be added in the amendment include a gangway/dock area; retail space (Unit P-3) at Berth 78; 4,278 s.f. of warehouse space (Building "G"); 13,108 s.f. of outside work/storage area at Berth 73; and 812 s.f. of office/storage space at the Ports O'Call Village (POCV) area (Unit W-21).

The amendment requires that LAMI provide the Board of Harbor Commissioners a comprehensive report every six months on its operations to determine if the premises can continue to be provided on a no-charge monthly basis under the permit and proposed amendment.

**RECOMMENDATION:**

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

1. Adopt the Fourth Addendum to the certified San Pedro Waterfront Environmental Impact Report, and after consideration of said Addendum find that, in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines Section 15164, the proposed First Amendment will not result in any new significant environmental effects or any substantially more severe effects than previously analyzed in the certified Environmental Impact Report;
2. Find that it is in the best interest of the City of Los Angeles Harbor Department to grant a no-rent Revocable Permit to the Los Angeles Maritime Institute in exchange for the community benefits provided by its public TopSail Youth Program;

SUBJECT: PROPOSED FIRST AMENDMENT TO REVOCABLE PERMIT NO. 11-04

3. Approve the First Amendment to Revocable Permit No. 11-04 with the Los Angeles Maritime Institute;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment of Revocable Permit No. 11-04; and
5. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context: LAMI, a 501(c)(3) non-profit organization, operates the TopSail Youth Program for middle and high school students, including at-risk youth, on maritime education and hands-on tall-ship sailing. The program has been in operation at the Port of Los Angeles (Port) since 1992. Curriculum focuses on the Port, the maritime industry, communication and teamwork, and instills responsibility, leadership, and self-esteem by providing character-building experiences, all of which take place in the context of sailing tall ships. From 2011 to 2016, the number of educational sails has increased from 184 per year to 249 per year, and the number of student training days has gone from 2,605 to 4,092.

LAMI's original office and facilities were located at the Los Angeles Maritime Museum (LAMM). In 1999, LAMI was relocated to the temporary Fire Department trailers to make way for the LAMM expansion. In 2011, LAMI was again required to relocate from Berth 85 when the Downtown Harbor Cut Project in San Pedro required the removal of their modular buildings and facilities. On October 20, 2011, RP 11-04 became effective, relocating LAMI to 2,565 s.f. of office space at Berth 73 and the nonexclusive use of 14,420 s.f. of dock/water area at Berth 78 in San Pedro. RP 11-04 is a month-to-month revocable permit. The permitted uses under RP 11-04 are for the operation of facilities in conjunction with the TopSail Youth Program consisting of offices, meeting rooms, library, storage; the docking of twin brigantine vessels, the "Irving Johnson" and the "Exy Johnson"; and maintenance and restoration activities.

To assist in LAMI's relocation, San Pedro Waterfront, LLC, under its Revocable Permit No. 03-04 (RP 03-04), subleased space within the POCV area to LAMI at no charge. This space included a portion of the dock/gangway and retail Unit P-3 at Berth 78. RP 03-04 has since been terminated by the City of Los Angeles Harbor Department (Harbor Department) in preparation of the Ports O'Call site development.

LAMI has requested that the expired premises under RP 03-04 be included under this First Amendment, as well as additional warehouse space (Building "G"), outside work/storage area at Berth 73, and office space W-21 at POCV for the continuation and expansion of the TopSail Youth Program.

**SUBJECT: PROPOSED FIRST AMENDMENT TO REVOCABLE PERMIT NO. 11-04**

The additional facilities at Berth 73 will accommodate LAMI's program expansion and facilitate the restoration of a third TopSail Youth Program vessel, a two-masted Topsail Schooner named the "Swift of Ipswich." This ship is currently located in Southern San Diego County and will be transported to the Port and be housed on land at Berth 73 until its restoration is completed. At that time, it will join the other two vessels berthed at the Port.

The restoration project includes public viewing, student education, and where appropriate, participation in the restoration and learning experience. For this two-plus year project, Building "G", which was previously scheduled for demolition by the Port, is being proposed for equipment/materials storage and hands-on training. The public viewing of the restoration will take place in Building "G"'s adjacent work/storage yard, as detailed below. The proposed schedule for use of Building "G" will not interfere with development plans for the San Pedro Public Market.

Proposed Action: Staff requests Board approval of the First Amendment to RP 11-04 (Transmittal 1), which will include the following.

1. At Berth 78, use of the gangway and dock for the docking of brigantine tall ships and retail space, identified as Unit P-3, for visitors, office space, and retail sales (Transmittal 1, Exhibit A-2);
2. At Berth 73, use of 4,278 s.f. of warehouse space identified as Building "G", and 13,108 s.f. of work/storage yard identified as Outside Storage Area (Transmittal 1, Exhibit A3); and
3. Use of 812 s.f. of office and storage space identified as Unit W-21 at the POCV area for storage of supplies and equipment (Transmittal 1, Exhibit A-4).

Notable provisions of the amendment include:

- As a condition of using the facilities on a no-charge basis, LAMI will be required to provide the Board with a comprehensive report, every six months, of its operations in sufficient detail to provide the information needed to determine if the premises can continue to be provided on a no-charge monthly basis under the proposed RP and First Amendment.
- LAMI is required to make all necessary roofing, electrical, cosmetic, and building code upgrades to Building "G" and the adjacent Outside Storage Area at an estimated cost of \$100,000. Additionally, LAMI will maintain and operate Building "G" at its own expense. All other premises under RP 11-04 will be maintained by the Harbor Department.
- The five-year Board review period of RP 11-04 will be amended to extend for another five years from the effective date of the First Amendment, subject to earlier termination by either party on 60 days' notice.
- LAMI shall continue to acknowledge the Harbor Department's contribution for the use of the subject premises for the TopSail Youth Program in its signage, advertising brochures, literature, and promotions associated with the TopSail Youth Program.

**SUBJECT: PROPOSED FIRST AMENDMENT TO REVOCABLE PERMIT NO. 11-04**

Community Benefits Provided: LAMI provided 4,092 student sailing training days during Fiscal Year 2015-2016 for an average of 341 student training days per month. The student training day is an average of 8 hours of sailing and seagoing instruction per student by a qualified LAMI instructor. The value of the service provided by LAMI is estimated at \$30 per hour of instruction time. Therefore, the value of the monthly community benefit provided by LAMI is \$81,840 per month (341 student training days x 8 hours of training per day x \$30 per instructor hour = \$81,840 per month). This program's community benefit value compensates the Harbor Department for its projected forgone monthly rent of \$6,879, as detailed below:

Location	Square Footage & Rate	Foregone Rent
Office, Berth 73 *	2,565 s.f. (\$1.10/s.f. + electricity)	\$2,821
Dock / Water Berth 78 *	14,420 s.f. (public dock)	\$0
Retail POCV P-3 **	516 s.f.(\$1.00/s.f.)	\$516
Office POCV W-21 **	812 s.f.(\$1.00/s.f.)	\$812
Building "G" Berth 73 **	4,278 s.f.(set for demolition)	\$0
Outside Storage Berth 73 **	13,108 s.f.(\$25/s.f. @10 % return)	\$2,730
		\$6,879 Total Rent

(\* under RP 11-04) (\*\* Proposed under First Amendment)

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the First Amendment to RP 11-04 with LAMI. The amendment would increase LAMI's current operations, consisting of 2,565 s.f. of office space at Berth 73 and nonexclusive use of 14,420 s.f. of dock/water area at Berth 78. Areas to be added in the amendment include a gangway/dock area; retail space (Unit P-3) at Berth 78; 4,278 s.f. of warehouse space (Building "G"); 13,108 s.f. of outside work/storage area at Berth 73; and 812 s.f. of office/storage space at the Ports O'Call Village (POCV) area (Unit W-21). The relocation of LAMI to the Crowley Tug Building after Crowley Tug relocates to a new Crowley Tug facility was assessed in the San Pedro Waterfront EIS/EIR, which was certified by the Board on September 29, 2009. Since Board certification, it was decided to not relocate Crowley Tug and relocate LAMI to a vacant building (Building G) at Berth 73W instead of the Crowley Building. LAMI will replace the roof, reconnect utility service, and make other upgrades to Building G. Also, the LAMI vessel, "Swift of Ipswich", will be brought from Chula Vista to the site for completion of its renovation. These proposed changes were analyzed in a Fourth Addendum to the San Pedro Waterfront EIR attached hereto as Transmittal 2 for the Board's consideration. According to Section 15164(a) of the State CEQA Guidelines, the lead agency will prepare an Addendum to a previously certified EIR if changes or additions are necessary, but none of the conditions described in Section 15162 calling for the preparation of a subsequent or supplemental EIR have occurred. An addendum does not need to be circulated for public review, but can be included in or attached to the EIR. Based on the findings of this Fourth Addendum, the proposed action will not result in any new significant environmental effects or any substantially more severe effects than previously analyzed in the certified EIR, and therefore, does not trigger any

SUBJECT: PROPOSED FIRST AMENDMENT TO REVOCABLE PERMIT NO. 11-04

of the conditions described in CEQA Guidelines Section 15162 calling for the preparation of a subsequent or supplemental EIR. All previously approved mitigation measures and project conditions would not change and are incorporated into the proposed lease, as applicable. The Addendum has been made publicly available and is posted on the Harbor Department's website.

**FINANCIAL IMPACT:**

Under the proposed amendment, the Harbor Department will forgo \$6,879 in monthly rent in exchange for in-kind community benefit valued at \$81,840 per month.


**CITY ATTORNEY:**


The proposed First Amendment has been approved as to form and legality by the Office of the City Attorney.

**TRANSMITTALS:**

- 1. First Amendment
- 2. EIR Addendum

  
 MICHAEL J. GALVIN  
 Director of Waterfront & Commercial Real Estate

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

  
 FOR MICHAEL DIBERNARDO  
 Deputy Executive Director

APPROVED:   
 FOR EUGENE D. SEROKA  
 Executive Director

ES:MD:MJG:ER:HP:KK:RL:cb  
 Author: R. Lepone  
 BL603cb LAMI 1<sup>st</sup> Amendment