



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JULY 18, 2013

FROM: PUBLIC RELATIONS

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF FIRST
AMENDMENT TO AGREEMENT NO. 10-2890 WITH THE LOS
ANGELES MARITIME INSTITUTE**

SUMMARY:

The Los Angeles Maritime Institute (LAMI) operates the TopSail Youth Sail Training Program (TopSail), which is part of the City-wide network of programs for at-risk youths at 37 schools in the City of Los Angeles. The educational program exposes middle school children to the rigors and discipline of sailing tall ships teaches team work, responsibility and leadership skills. The City of Los Angeles Harbor Department (Harbor Department) is in the final year of a three-year agreement with LAMI which provides funding for TopSail. During FY 2013/14 the Public Relations Division will be implementing a new sponsorship program that will be put in place for FY 2014/15. The proposed amendment will provide an additional \$175,000 to the current agreement which expires in October 2013. A subsequent agreement will be negotiated to provide funding for FY 2013/14. This new agreement will align their funding to the new sponsorship program's funding cycle. Amending the existing agreement is the most expeditious method of providing needed funding to the agency.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed amendment is in the best interest of the Harbor Department in that it will ensure that the TopSail program continues its maritime education program uninterrupted during its peak months;
2. Approve and authorize the Executive Director to execute and the Board Secretary to attest to the first amendment to agreement 10-2890 with the Los Angeles Maritime Institute, to increase the final year compensation by \$175,000 for a total not-to-exceed amount of \$1,225,000; and
3. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context – 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.

Because the agreement timing slipped from July to October with the last contract, the LAMI TopSail program will not receive anticipated Harbor Department funding in July as has been the case in all prior years and for which they had planned. The delay in funding will cause TopSail a hardship and will result in the program suspension during these months which are traditionally its busiest time. To avoid disruption in the TopSail program offerings, an amendment to the current agreement which allows for a partial payment to TopSail is being sought. The funding in this amendment will reduce the funds in the pending future agreement with LAMI by \$175,000 for the first year, Fiscal Year 2013/2014.

The agreement with LAMI TopSail is not part of the currently proposed Pilot Grant Program, however it is anticipated that the program will apply for sponsorship grant funding in future years as the program grows and expands.

Past Board Actions – 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.

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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 3% each year for a final year compensation of \$556,972.

Finally, the current agreement, No. 10-2890, was approved on October 13, 2010. This agreement is for three years with a financial package of \$350,000 a year for a total amount of \$1,050,000. Estimated actual expenditures incurred under the current agreement through Fiscal Year 2012/13 (for the three year period of the agreement) are \$1,050,000.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an amendment to the current contract with LAMI for an additional \$175,000 in funding to be paid expeditiously with a corresponding decrease in funding in the first year of the pending new agreement. 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 Amendment will have three direct and one secondary one-year equivalent job impact for the five county region.

FINANCIAL IMPACT:

The existing agreement is due to expire in October 2013, three months into the existing Fiscal Year 2013/2014, whereas the existing compensation authority

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only covers through June 2013. A new agreement replacing this agreement is pending and will be brought before the Board in a separate, future action. In the intervening period, the compensation authority for the existing agreement is requested to be increased by \$175,000 to cover the next three months before the new agreement will be brought before the Board for consideration. Funds for a full year of funding at \$350,000 are included in the budget for Fiscal Year 2013.2014 in Cost Center 0220, Account 52031, and Program 620. The proposed first amendment to the agreement will provide funding in the amount of \$175,000 with the anticipated agreement being in place for the remainder of the fiscal year at an additional \$175,000. Total funds to be expended under this amendment are \$175,000.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed amendment as to form and legality.

TRANSMITTAL:

1. First Amendment to Agreement No. 10-2890


THERESA ADAMS LOPEZ
Director Public Relations

FIS Approval KRP (initials)
CA Approval CB (initials)

ARLEY M. BAKER
Senior Director Communications

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director