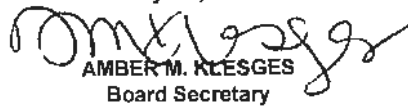


May 12, 2022

  
AMBER M. KLESGES  
Board Secretary



Executive Director's  
Report to the

Board of Harbor Commissioners

DATE: APRIL 26, 2022

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. 22-9999 - APPROVE SUCCESSOR  
PERMIT NO. 955 WITH BOYS AND GIRLS CLUB OF THE LOS  
ANGELES HARBOR

**SUMMARY:**

Staff requests approval of the proposed successor Permit No. 955 (P955) with Boys and Girls Club of the Los Angeles Harbor (Boys and Girls Club), a California nonprofit Corporation, for use and occupancy of City of Los Angeles Harbor Department (Harbor Department) property located at 100 W. 5<sup>th</sup> Street in San Pedro (commonly known as Liberty Hill Plaza). Boys and Girls Club will be utilizing the premises for development and implementation of educational and recreational programs for youth, fostering greater interest in and knowledge of the Port of Los Angeles, the harbor, the shipping industry, maritime commerce and other maritime-related subjects; preparing boys and girls for higher education and the responsibilities of citizenship; and providing youth the encouragement and training necessary to achieve leadership positions in the maritime industry.

In exchange for the services and community benefit, Boys and Girls Club will not be required to pay rent to the Harbor Department. The Harbor Department will also support Boys and Girls Club through an annual sponsorship in the amount of \$214,429.92 for the first year of the Permit. The Harbor Department shall contribute \$114,429.92 starting in Year 2 of the Permit and for the remainder of the term of the 20-year Permit.

**RECOMMENDATION:**

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

1. Find that it is in the best interest of the City of Los Angeles Harbor Department to waive the Harbor's Leasing Policy concerning rent in exchange for the services and community benefits provided by the Boys and Girls Club of the Los Angeles Harbor;
2. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III, Class 1(14) of the Los Angeles City CEQA Guidelines;
3. Approve Permit No. 955 with Boys and Girls Club of the Los Angeles Harbor;
4. Direct the Board Secretary to transmit Permit No. 955 to City Council for approval pursuant to Charter Section 606 of the City Charter;

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5. Authorize the Executive Director to execute and the Board Secretary to attest to Permit No. 955 upon approval by City Council; and

6. Adopt Resolution No. 22-9999.

**DISCUSSION:**

Background – Boys and Girls Club currently occupy the Liberty Hill Plaza premises under Permit No. 837 (P837). P837 was approved by the Board in October 2001 for a 20-year term and has been on holdover since October 2021. Boys and Girls Club is requesting a successor permit to P837 for a term of 20 years. The premises map is attached as Transmittal No. 1. The proposed P955 is attached as Transmittal No. 2.

City Annual Sponsorship: Under P837, the Harbor Department currently supports Boys and Girls Club through a \$100,000 annual sponsorship and by providing a rent-free facility, paying all costs for utilities, custodial, exterior maintenance, landscaping, and interior systems maintenance.

Under the proposed P955, the Harbor Department will support Boys and Girls Club through an annual sponsorship in the amount of \$214,429.92 for the first year of the Permit. The Harbor Department shall contribute \$114,429.92 starting Year 2 of the Permit and for the remainder of the Permit term.

- College Bound Program: Due to unforeseen circumstances brought on by the COVID-19 Pandemic, Boys and Girls Club was unable to submit an application for the Fiscal Year 2021/2022 Port of Los Angeles Community Investment Grant, therefore resulting in a \$100,000 deficit in their annual operating budget related to the College Bound Program (College Bound). College Bound supports club members' efforts to achieve higher education through which a large percentage of club members pursue degrees related to the maritime industry. Under the proposed P955, Boys and Girls Club has requested that an additional \$100,000 be allocated to the City Annual Sponsorship for the first year of the Permit to assist with the rising costs of College Bound.

In recent years, Boys and Girls Club has implemented College Bound in order to introduce and expose club members to the idea of college and prepare them for a successful experience. The annual operating budget of College Bound is \$1,549,600. Through College Bound's one-on-one case management strategy, youth receive the guidance, support, and the resources they need to meet the academic, financial, and testing requirements for public and private universities. For the 2020-2021 academic year, 320 of 700 participants (45 percent), previously participated in the Port of Los Angeles educational program, a program focused on hands-on activities and lectures in the area of Port related functions such as: maritime industry, water-related recreation, fishing, and other ocean related industries.

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From 2011 – 2020, Boys and Girls Club has sent 4,546 of their participants to college and 98 percent of all participants graduated from high school on time. Of the 90 2021 graduating College Bound Seniors, 44 percent are attending four-year universities and 54 percent are attending two-year universities. Further, of the current seniors, 42 percent will be declaring majors that are directly related to maritime-related subjects and are applicable to careers within the maritime industry.

- **Custodial Responsibilities:** Under the proposed P955, the Harbor Department Construction & Maintenance Division has requested that custodial responsibilities be transferred to Boys and Girls Club. This includes staffing a custodial crew to maintain the restrooms and lobby area, as well as supplying the facility with restroom/cleaning supplies such as paper towels, soap, restroom cleaner, etc. Boys and Girls Club has agreed to take on the custodial responsibilities for the facility in exchange for an increase in the City Annual Sponsorship to offset the costs of the custodial responsibilities. Boys and Girls Club estimates that these new responsibilities will increase their expenses by roughly \$14,429.92 annually. The Harbor Department Construction & Maintenance Division has reviewed this estimate and agreed that the estimated costs were accurate.

Summary of Significant Permit Terms:

<b>Provisions</b>	<b>Description</b>
Permitted Use	Development and implementation of educational and recreational programs for youth, fostering greater interest in and knowledge of the Port of Los Angeles, the harbor, the shipping industry, maritime commerce and other maritime-related subjects; preparing boys and girls for higher education and the responsibilities of citizenship; and providing youth the encouragement and training necessary to achieve leadership positions in the maritime industry
Term	20 Years
Premises	19,972 square feet of space at Liberty Hill Plaza
Compensation	No Rent. Boys and Girls Club shall provide and perform the following at no charge or cost: <ul style="list-style-type: none"> <li>• Youth Program: Boys and Girls Club shall continue to sponsor and maintain the Port Ocean and Land Awareness program (P.O.L.A)</li> <li>• Management of Premises for Community Uses</li> <li>• Annual Activity Report</li> </ul>
City's Annual Sponsorship	<ul style="list-style-type: none"> <li>• Year 1 - \$214,429.92</li> <li>• Year 2 and remainder of Permit - \$114,429.92</li> <li>• City's Annual Sponsorship shall be subject to readjustment for each 5-year period following the end of the first five years</li> </ul>

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Maintenance and Repair	<ul style="list-style-type: none"> <li>• Harbor Department – responsible for roof and exterior of building, mechanical and HVAC systems, fire protection systems, electrical substation and switchgear preventative maintenance, and plants within atrium area</li> <li>• Boys and Girls Club shall be responsible for all maintenance and repair not covered above. Boys and Girls shall be solely responsible for janitorial and custodial services.</li> </ul>
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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of successor P955 with Boys and Girls Club for use and occupancy of Harbor Department property located at Liberty Hill Plaza, which is an activity involving the issuance, renewal, or amendment of any lease, license, or permit to use an existing structure or facility involving negligible or no expansion of use. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III, Class 1(14) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Under P955, monthly compensation to the Harbor Department is \$0 and approval of P955 will result in the Harbor Department receiving \$0 in annual rent. In consideration for no rent, Boys and Girls shall provide and perform – P.O.L.A. Youth Program, Management of Premises for Community Uses, and Annual Activity Reporting.

Additionally, the Harbor Department will support Boys and Girls Club through an annual sponsorship in the amount of \$214,429.92 for the first year of the Permit. The Harbor Department shall contribute \$114,429.92 starting Year 2 of the Permit and for the remainder of the Permit. Over the total twenty-year life of the permit, the total sponsorship will be \$2,388,598.40. The annual sponsorship will be paid through the Community Relation’s budget from the following – Cost Center 0220; Account 52031 (Organization and Event Sponsorship); Program 000. The first payment is expected to be paid in FY 22/23. A breakdown of fund expenditures for the first five years of the permit is outlined below as follows:

Fiscal Year	Sponsorship Amount
FY 22/23	\$214,429.92
FY 23/24	\$114,429.92
FY 24/25	\$114,429.92
FY 25/26	\$114,429.92
FY 26/27	\$114,429.92

The Harbor Department’s financial commitments for the proposed Permit beyond the current fiscal year are contingent upon approval of funds by the Board as part of the annual budget process.

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**CITY ATTORNEY:**

Proposed P955 has been reviewed and approved as to form and legality by the Office of the City Attorney.

**TRANSMITTALS:**

1. Site Map
2. Permit No. 955

FIS Approval: MB  
CA Approval: SO

*Michael J. Galvin*  
MICHAEL J. GALVIN  
Director, Waterfront & Commercial Real Estate

*Michael DiBernardo*  
MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

*Marla Bleavins* For

EUGENE D. SEROKA  
Executive Director

EDS:MG:HP:MS:raw  
Author: Meagan Sestich  
BL923raw Boys & Girls Club Permit