

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the First Amendment to the Port of Los Angeles (POLA) Foreign Trade Zone (FTZ) General Purpose Operating Agreement with Dependable Highway Express, Inc.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is administratively exempt under the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. APPROVE the POLA Resolution No. 19-9535 authorizing proposed First Amendment to FTZ General Purpose Operating Agreement No. 19-3264-A with Dependable Highway Express, Inc., extending the term by five years, for the use of 94,984 square feet of office and warehouse space at FTZ 202, Site 10D, located at 22411 South Bonita Street, Carson, for an annual payment of \$7,750.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Dependable Highway Express, Inc., will be required to pay an annual fee of \$7,750 per year or \$38,750 for the five-year term. All funds will be deposited in the Harbor Revenue Fund. The above recommendations comply with POLA financial policies in that any expenditures made for FTZ related expenses will be paid by appropriate Port revenues and fees.

Community Impact Statement: None submitted.

TIME LIMIT FILE – MARCH 2, 2020

(LAST DAY FOR COUNCIL ACTION – FEBRUARY 28, 2020)

SUMMARY

In a report to the Mayor dated December 10, 2019, the CAO states POLA requests approval of the First Amendment to the FTZ General Purpose Operating Agreement with Dependable Highway Express, Inc. The proposed First Amendment exercises the first of three five-year renewal options to extend the agreement term from November 30, 2019, to November 29, 2024. Additionally, Agreement terms related to evidence and submission of insurance are updated to meet the City's insurance compliance standards. Dependable Highway Express uses the site as a multi-usage FTZ warehouse, receiving, storing, managing logistics and inventory, and distributing various imported consumer products, automobiles, electronic components, and other merchandise for the domestic and international markets.

On September 19, 2019, the Board of Harbor Commissioners approved POLA's request. The CAO concurs with this action.

At its meeting held February 4, 2020, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed First Amendment to the POLA FTZ agreement with Dependable Highway Express, as recommended by the Board of Harbor Commissioners and

the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in cursive script, appearing to read "Joe Prun".

<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	ABSENT
KREKORIAN:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-