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Eric Garcetti | *Mayor, City of Los Angeles*
Board of Harbor Commissioners | **Jaime L. Lee** *President* | **Edward R. Renwick** *Vice President* | **Diane L. Middleton** *Commissioner* | **Lucia Moreno-Linares** *Commissioner* | **Anthony Pirozzi, Jr.** *Commissioner*
Eugene D. Seroka | *Executive Director*

February 20, 2020

Honorable Members of the
City Council of the
City of Los Angeles

CD No. 15

Attention: Mr. John White, City Clerk's Office

SUBJECT: CF# 18-0376: RESOLUTION NO. 20-9610 – PROPOSED APPROVAL OF PERMIT NO. 949 WITH SPACE EXPLORATION TECHNOLOGIES CORP. TO CONSTRUCT AND OPERATE A RESEARCH, DESIGN, AND MANUFACTURING FACILITY

Pursuant to Section 606 of the City Charter, enclosed for your approval is Resolution No. 20-9610 authorizing proposed Permit No. 949 with Space Exploration Technologies Corp. (SpaceX); which was approved at the February 20, 2020 meeting of the Board of Harbor Commissioners. Proposed Permit No. 949 with SpaceX is for the purpose of constructing and operating a research, design, and manufacturing facility for aerospace components for spacecraft at the former Southwest Marine site at Terminal Island. Recovery operations may also be conducted at the site. At the site, SpaceX would develop new port-based spacecraft production facilities. The development includes an adaptive reuse of dilapidated facilities with a history of vacancy and vandalism for nearly 15 years. Other benefits of the proposed Permit include siting a prominent aerospace technology company in the City of Los Angeles that has the potential to create 130 aerospace jobs. The term of the proposed Permit is 10 years, with two 10-year extension options, exercisable by SpaceX. Following application of rental offsets for tenant improvements, Harbor Department staff anticipates the proposed Permit would yield a net neutral revenue stream by year 18 of the proposed term. The Harbor Department has received an Executive Directive-4 waiver for this item. There is no impact to the General Fund.

RECOMMENDATION FOR CITY COUNCIL:

1. CONSIDER the Addendum to the certified 2018 Final Initial Study/Mitigated Negative Declaration along with the 2018 Initial Study/Mitigated Negative Declaration (State Clearinghouse No. 2017121023) adopted by the Board of Harbor Commissioners on March 15, 2018 (Resolution No. 18-8259);
2. ADOPT the determination by the Board of Harbor Commissioners that the proposed permit and associated restoration of existing buildings will not result in any new significant environmental effects or any substantially more severe effects than previously analyzed in the certified 2018 Final Initial Study/Mitigated Negative Declaration in accordance with the provisions of the California Environmental Quality Act Guidelines Section 15164;
3. APPROVE Harbor Department Resolution No. 20-9610 authorizing proposed Permit No. 949 with Space Exploration Technologies Corp.; and
4. Return to the Board of Harbor Commissioners for further processing.

Respectfully Submitted,

AMBER M. KLESGES
Commission Secretary

cc: Trade, Travel & Tourism Committee
Councilman Buscaino
Councilman Bonin
Councilman Krekorian
Heleen Ramirez, Mayor's Office

Erick Martell, Harbor Representative
Janice Chang Yu, CAO
Dennis Gleason, CD15
Matthew Shade, CLA