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Executive Director

April 26, 2018

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

CD No. 15

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

SUBJECT: RESOLUTION NO. 18-8269 – PROPOSED PERMIT NO. 937 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. 18-8269 authorizing proposed Permit No. 937 with Space Exploration Technologies Corp. (SpaceX); which was approved at the April 19, 2018 meeting of the Board of Harbor Commissioners. Proposed Permit No. 937 will allow SpaceX to construct and operate a research, design, and manufacturing facility for rockets and spacecraft. The proposed Permit is for an initial ten-year term with two, ten-year options to extend, with an initial annual rent of approximately \$1.38 million and annual adjustments based on the Consumer Price Index (CPI). SpaceX will receive credits that offset rent in exchange for tenant improvements constructed on the property for the initial ten-year term and the first ten-year option period. The improvements will transfer to the Harbor Department at the end of the term. There is no impact to the General Fund.

RECOMMENDATION FOR CITY COUNCIL:

1. ADOPT the determination by the Board of Harbor Commissioners (Board) that the proposed permit is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines;
2. APPROVE Harbor Department Resolution No. 18-8269 authorizing proposed Permit No. 937 with Space Exploration Technologies Corp.; and
3. 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  
Mandy Morales, Mayor's Office

Erick Martell, Harbor Representative  
Alvin Newman, CAO  
Dennis Gleason, CD15  
Mandana Khatibshahidi, CLA