



Eric Garcetti *Mayor, City of Los Angeles*
Board of Harbor Commissioners
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Executive Director

December 20, 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. 18-8385 – PROPOSED FOREIGN-TRADE ZONE SUBZONE OPERATING AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND CHEVRON U.S.A. INC. FTZ 202, SITE B

Pursuant to Section 373 of the City Charter and Section 10.5 of the Los Angeles Administrative Code, enclosed for your approval is Resolution No. 18-8385 authorizing proposed Agreement No. 18-3614 between the City of Los Angeles Harbor Department and Chevron U.S.A Inc. (Chevron); which was approved at the November 15, 2018 meeting of the Board of Harbor Commissioners. The proposed Agreement will allow Chevron to continue operating its refinery and storages within FTZ 202, Site B on 951 acres located in El Segundo, California. The current Agreement between the Harbor Department and Chevron expires on December 31, 2018. The proposed Agreement is for a term of five years with three, five-year renewal options commencing on January 1, 2019 to December 31, 2023. If approved, the Harbor Department will receive \$10,000 annually from Chevron per FTZ Tariff No. 2. 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 action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1(14) of the Los Angeles City CEQA Guidelines;
2. APPROVE Harbor Department Resolution No. 18-8385 authorizing proposed Agreement No. 18-3614 between the City of Los Angeles Harbor Department and Chevron U.S.A Inc.; 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
Matthew Shade, CLA