

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the Port of Los Angeles (POLA) Foreign-Trade Zone (FTZ) General Purpose Operating Agreement No. 19-3670 with Morrison Express Corporation (U.S.A).

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 Port Resolution No. 19-9519 relative to POLA FTZ General Purpose Operating Agreement No. 19-3670 with Morrison Express Corporation (U.S.A) for the use of office and warehouse space at FTZ 202, Site 59, located at 2000 South Hughes Way, El Segundo, for an annual payment of \$7,750 for an initial term of five years with three five-year renewal options.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Morrison Express Corporation (U.S.A) will be required to pay an annual fee of \$7,750 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 POLA revenues and fees.

Community Impact Statement: None submitted.

TIME LIMIT FILE – MARCH 23, 2020

(LAST DAY FOR COUNCIL ACTION – MARCH 20, 2020)

SUMMARY

In a report to the Mayor dated January 13, 2020, the CAO states POLA requests approval of the FTZ General Purpose Operating Agreement No. 19-3670 with Morrison Express Corporation (U.S.A). Morrison Express plans to activate, operate, and manage its FTZ warehouse facilities and operations as a multi-usage site, providing services such as logistics, handling, storage, inventory and quality control of various materials, components and consumer products, which will go on to be sold in the domestic market or be re-exported.

On August 22, 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 FTZ agreement with Morrison Express, as recommended by the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



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

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-