

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to a proposed Foreign-Trade Zone (FTZ) general purpose operating agreement with Custom Air Warehouse, Inc. and Custom Goods, LLC, FTZ 202, Site 32.

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Section 1(14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the FTZ general purpose operating agreement with Custom Air Warehouse, Inc. and Custom Goods, LLC, FTZ 202, Site 32.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the proposed FTZ operator agreement with Custom Air Warehouse, Inc., and Custom Goods LLC will provide for an administrative fee of \$5,000 per year, for five years, and a total fee of \$100,000, if the contract is renewed for three five-year renewal options, for a total of 20 years. There will be no impact on the City General Fund. All Funds will be deposited in the Harbor Revenue Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE - AUGUST 9, 2013

(LAST DAY FOR COUNCIL ACTION - AUGUST 9, 2013)

SUMMARY

At a special meeting held on July 23, 2013, your Trade, Commerce and Tourism Committee considered a Harbor Department transmittal relative to Resolution No. 13-7468 authorizing the proposed FTZ Operating Agreement No. 13-3116 with Custom Air Warehouse, Inc., and Custom Goods LLC (Custom Air), in FTZ No, 202, Site No. 32, located in the City of Rancho Cucamonga, approximately 60 miles from the Port. The City Administrative Officer reports that the proposed FTZ Agreement with Custom Air is for an initial term of five years, with three subsequent five-year renewal options; for a contract term up to 20 years. The FTZ Operator plans to operate and manage a building and distribution and general warehouse facilities at Site No. 32. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE

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

-NOT OFFICIAL UNTIL COUNCIL ACTS-