

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to a Port of Los Angeles (POLA) agreement with Customs Air Warehouse, Inc., for the continued use and operation of Free Trade Zone (FTZ) warehouse and office space.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1(14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the Port Resolution No. 18-8292 authorizing proposed Agreement No. 18-3116-A between the City of Los Angeles Harbor Department and Customs Air Warehouse, Inc., for the continued use and operation of warehouse and office space within FTZ 202, Site 32, at 12200 Arrow Route, Rancho Cucamonga.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The proposed First Amendment for the POLA FTZ Operating Agreement with Customs Air Warehouse Inc., will allow the FTZ operator to continue to operate and manage its FTZ office and warehouse facilities within FTZ 202, Site No. 32. Customs Air will pay the POLA an annual administrative fee of \$7,750 per year or a total of \$38,750 for the five-year contract term of the proposed amendment. There will be no impact on the City General Fund and funds will be deposited in the Harbor Revenue Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE – SEPTEMBER 21, 2018**

**(LAST DAY FOR COUNCIL ACTION - SEPTEMBER 21, 2018)**

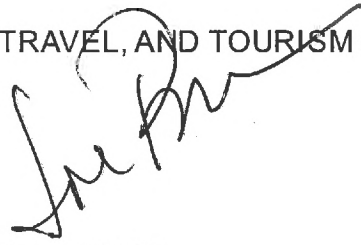
SUMMARY

In a report to the Mayor dated June 29, 2018, the CAO states that POLA requests authority to approve a proposed First Amendment to the FTZ Operating Agreement with Customs Air Warehouse Inc., for the continued use and operation of 240,000 square feet of FTZ office space and warehouse facilities. Customs Air receives, stores, re-labels, repackages, manages inventory, and distributes various imported products which will be distributed for U.S. consumption. Occasionally, products are re-exported from this warehouse. On June 7, 2018, the Board of Harbor Commissioners approved POLA's request. The CAO concurs with this action.

At its meeting held August 7, 2018, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed First Amendment to the FTZ Operating Agreement with Customs Air Warehouse Inc., as recommended by the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in black ink, appearing to be 'Jaw', is written over the committee name.

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

jaw

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**