

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TECHNOLOGY COMMITTEE REPORT relative to the first amendment to the Foreign-Trade Zone (FTZ) agreement with Customs Air Warehouse, Inc. (Customs Air) for FTZ 202, Site 10E.

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department (LAHD) 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 LAHD Resolution No. 15-7822 authorizing the proposed first amendment to FTZ General Purpose Operating Agreement No. 15-3064-A with Customs Air for FTZ 202, Site 10E.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the proposed amendment to the FTZ Operator Agreement with Customs Air includes administration actions to change the company name from Custom Air Warehouse to Customs Air Warehouse, Incorporated and to relocate the warehouse facility to another section of the City of Carson. The original agreement with Custom Air was for an initial term of five years, with three subsequent five-year renewal options, for a possible contract term up to a total of 20 years. The proposed amendment is not seeking to change the contract terms at this time. The LAHD will continue to receive an annual fee of \$7,750 per year or \$38,750 for one five-year contract term, with renewal options subject to ratification by the Board of Harbor Commissioners up to 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 – NOVEMBER 17, 2015

(LAST DAY FOR COUNCIL ACTION – NOVEMBER 17, 2015)

SUMMARY

At the meeting held on October 6, 2015, your Trade, Commerce and Technology Committee considered a LAHD transmittal relative to approval of Resolution No. 15-7822 authorizing the proposed first amendment to FTZ Operating Agreement No. 12-3064 with Customs Air, in FTZ 202, Site No. 10E, located in the City of Carson, California. The CAO reports that the original agreement with Customs Air was for an initial term of five years, with three subsequent five-year renewal options, for a possible contract term up to a total of 20 years. The Mayor and Council approved the original agreement in 2012 (Council file No. 12-1311). The proposed amendment is requesting to change the company name from Custom Air Warehouse to Customs Air Warehouse, Incorporated and location/address of the warehouse facility. The amendment is not seeking to change the contract terms at this time. The FTZ Operator plans to operate and manage its FTZ operations and general warehouse facility approximately 10 miles from the Port of Los Angeles. Except for the updated contract provisions, all other terms and conditions of the agreement will remain in effect. 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 TECHNOLOGY COMMITTEE



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

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-