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February 12, 2024

Honorable Members of the City Council of the City of Los Angeles

CD No. 15

Attention: Mr. Andrew Suh, City Clerk's Office

Subject: RESOLUTION NO. 22-10105: APPROVAL OF THIRD AMENDMENT TO FOREIGN-TRADE ZONE OPERATING AGREEMENT NO. 2633 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SCHAFFER BROTHERS DISTRIBUTION CENTER, INC, FTZ 202, SITE 12

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. 22-10105 for the proposed approval of a Third Amendment to Foreign-Trade Zone (FTZ) Operating Agreement No. 22-2633-C between the City of Los Angeles Harbor Department Schaffer Brothers Distribution Center, Inc (Schaffer) to continue operating its facility within FTZ 202, Site 12, located at 1981 E. 213th Street, Carson, CA 90746. The Harbor Department, as the FTZ Grantee, establishes Operating Agreements with FTZ site operators to oversee their FTZ operations. Schaffer's current FTZ Operating Agreement No. 2633 expired on September 30, 2022. The Third Amendment will extend the Operating Agreement by five years. Schaffer requests to continue operating its warehouse as an FTZ warehouse. The Harbor Department must execute the Third Amendment to extend the Agreement, as required by the FTZ Board. Site 12 consists of an 8 acre site with approximately 191,000 square feet of warehousing and office space located nine miles from the Port of Los Angeles. Schaffer will operate its facility under FTZ procedures as a single-usage site. The proposed Third Amendment will not require funding by the Harbor Department. If the proposed amendment is approved, the Harbor Department will receive \$7,750 annually from Schaffer (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 that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines and;
2. APPROVE POLA Resolution No. 22-10105 for the for the proposed Third Amendment to Foreign-Trade Zone Operating Agreement No. 22-2633-C between the City of Los Angeles Harbor Department and Schaffer Brothers Distribution Center, Inc.

Respectfully Submitted,

[Handwritten signature of Amber M. Klesges]

AMBER M. KLESGES
Commission Secretary

cc: Trade, Travel & Tourism Committee
Councilwoman Park, Chair
Councilman McOsker
Councilman Soto-Martinez
Heleen Ramirez, Mayor's Office
Jacqueline Wagner, CAO
Sergio Carrillo, CD15

Erick Martell, Mayor's Office
Stephanie Magnien Rockwell, Harbor Representative
Jim House, CAO
Kevin Brunke, CD11
Tristan Noack, CLA
Anissa Raja, CD15