

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to the proposed first amendments to the Foreign-Trade Zone (FTZ) operating agreements with Puma North America, Inc. for FTZ 202, Site 9 and Site 28.

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, Class 1(14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the first amendments to the FTZ operating agreements with Puma North America, Inc. for FTZ 202, Site 9 and Site 28.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the proposed first amendments to two FTZ operator agreements with Puma will have no impact on the City General Fund. The proposed amendments will change the annual administration fee from \$7,750 per year to an administrative fee increase to \$10,000 per year for a total of \$47,750 for the initial five-year contract term and a total of \$157,750 in administrative fees for each of the agreements over the 20-year contract term, subject to approval by the Board of Harbor Commissioners. All Funds will be deposited in the Harbor Revenue Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - JANUARY 6, 2015**

**(LAST DAY FOR COUNCIL ACTION - DECEMBER 16, 2014)**

## SUMMARY

At a special meeting held on November 12, 2014, your Trade, Commerce and Tourism Committee considered a Harbor Department transmittal relative to proposed first amendments to FTZ Operating Agreements No. 13-3148 and 13-3149 with Puma, to continue operating in FTZ No. 202, Site No. 9, located in the City of Torrance, and FTZ Site No. 28, located in the City of Carson. The CAO reports that in August 2013, the Mayor and Council approved two individual agreements with Puma each one having an initial term of five years, with three subsequent five-year renewal options, for total contract terms up to 20 years, subject to approval by the Board of Harbor Commissioners. The two agreements With Puma were approved to perform as FTZ Operators on multi-user zone sites, which designate operators to provide FTZ services to the public. In the proposed amendments, Puma is requesting approval to change its site classifications from multi-user zone sites to single user FTZ sites, in which the operator does not open their FTZ services to the public and handles only their own products. In addition, the proposed amendment will change the administration fee from \$7,750 to \$10,000 annually. All other terms and conditions of the agreement will remain in effect, with the exception of the incorporation of updated City's contractual provisions.

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:	YES
BUSCAINO:	YES
BONIN:	ABSENT

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**