

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to proposed first amendment to Foreign-Trade Zone (FTZ) operating agreement with KW International, Inc., FTZ 202, SITE 4C.

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 first amendment to FTZ Operating Agreement No.13-2605-A between the City of Los Angeles Harbor Department and KW International, Inc., FTZ 202, SITE 4C.

Fiscal Impact Statement: The Board of Harbor Commissioners reports that the Harbor Department has received \$25,000 in operator fees from KW International for the original five-year term. If the proposed Amendment is approved for the first extension, the Harbor Department will receive \$5,000 annually (per FTZ Tariff No.1) for five years from KW International. Although there is no direct cost to the Harbor Department arising from this action, the Harbor Department does incur FTZ related expenses. During calendar year 2012, approximately \$80,000 was spent on outside FTZ related consulting services while \$159,000 in revenues was collected from all of the Harbor Department's FTZ operators.

Community Impact Statement: None submitted.

TIME LIMIT FILE - SEPTEMBER 16, 2013

(LAST DAY FOR COUNCIL ACTION - SEPTEMBER 13, 2013)

SUMMARY

At a regular meeting held on August 13, 2013, your Trade, Commerce and Tourism Committee considered a Harbor Department transmittal relative to the first amendment to FTZ general purpose operating agreement with KW International, Inc., FTZ 202, Site 4C.

The Los Angeles Harbor Department, as the FTZ grantee, establishes Developer Agreements with FTZ site owners to oversee their FTZ developments. The Harbor Department received a request from KW International, located in Carson, California, to exercise their first renewal option to extend the term of their FTZ Operating Agreement No. 2605 at FTZ 202, Site 4C. KW International, headquartered in Carson, California, is an international freight forwarder, that was founded in 1996 to provide international logistics services. The original term of the agreement is five years with three, five-year renewal options. The original agreement commenced November 1, 2008 and is set to expire on October 31, 2013.

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:	ABSENT
BONIN:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-