

CATEGORICAL EXEMPTION and COMMUNICATION FROM CHAIR, TRADE, COMMERCE, AND TOURISM COMMITTEE relative to proposed second amendment to the Foreign-Trade Zone (FTZ) general purpose operating agreement with CEVA Freight, LLC., FTZ 202, Site 30.

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 second amendment to the FTZ general purpose operating agreement with CEVA Freight, LLC., FTZ 202, Site 30.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed second amendment to FTZ Operator Agreement with CEVA Freight LLC, in FTZ Site No. 30, will extend the agreement by a five-year term, from January 2014 to January 2019. The Harbor Department has received a one-time application fee of \$5,000 and an administrative fee of \$25,000 for the initial five-year contract term. Due to a fee changes, compensation from the FTZ fees increased to \$7,750 each year during each of the three remaining five-year contract terms, for a total of \$116,250 for the three optional five-year terms and a total fee of \$146,250 over the 20-year contract term, if the contract is approved for three five-year renewal options. 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 - JANUARY 20, 2014

(LAST DAY FOR COUNCIL ACTION - JANUARY 17, 2014)

SUMMARY

At a regular meeting held on December 10, 2013, your Trade, Commerce and Tourism Committee Chair considered a Harbor Department transmittal relative to the proposed second amendment to FTZ Operating Agreement No. 08-2722 with CEVA Freight LLC, in FTZ No. 202, Site No. 30, located in Torrance, California. The CAO reports that CEVA is an international freight forwarder and logistics services provider, with headquarters in Houston, Texas. In 2008, the Board of Harbor Commissioners approved the original operating agreement with CEVA for an initial term of five years, with three subsequent five-year renewal options, for a contract term up to a total of 20 years. The initial five-year term is from February 2009 to January 2014. The first amendment was a name change from Eagle Global Logistics to its current name of CEVA. The proposed second amendment will extend the agreement by an additional five years, to January 2019, with two five-year renewal options remaining on the existing contract, and incorporate all the updated contractual provisions. The agreement will maintain the existing terms and conditions, except as amended. Board approval is required to exercise any renewal options and changes to the agreement. An opportunity for public comment was held. After a brief discussion, the Committee Chair moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

COUNCILMEMBER TOM LABONGE, CHAIR
TRADE, COMMERCE, AND TOURISM COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
LABONGE:	YES
BUSCAINO:	ABSENT
BONIN:	ABSENT

-NOT OFFICIAL UNTIL COUNCIL ACTS-