

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to proposed Foreign-Trade Zone (FTZ) General Purpose Operating Agreement with Evolution Enterprises Holdings, Inc., FTZ 202, Site 35.

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 Agreement No. 13-3180 between the Los Angeles Harbor Department and Evolution Enterprises Holdings, Inc.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed the proposed FTZ Operator Agreement with Evolution Enterprises Holdings, Inc. will have no impact on the City General Fund. Evolution Enterprises Holdings, Inc. will pay a one-time application/activation fee and administrative fee of \$7,750 per year, for five years, and a total fee of \$161,500, for a total of 20 years, if the contract is renewed for three five-year renewal options. All Funds will be deposited in the Harbor Revenue Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - MARCH 29, 2014**

**(LAST DAY FOR COUNCIL ACTION - MARCH 28, 2014)**

#### SUMMARY

At a regular meeting held on February 25, 2014, your Trade, Commerce and Tourism Committee considered a Harbor Department transmittal relative to proposed FTZ Operating Agreement No. 13-3180 with Evolution Enterprises Holdings, Inc., in FTZ No. 202, Site No. 35, located in City of La Puente, approximately 30 miles from the Port of Los Angeles. The CAO reports that the proposed operating agreement is 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 FTZ Operator plans to operate and manage FTZ operations, including distribution and general warehouse facilities at FTZ Site No. 35.

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

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
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LABONGE:	YES
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BUSCAINO:	YES
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BONIN:	YES
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ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**