

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to a proposed first amendment to the Foreign-Trade Zone (FTZ) Developer Agreement with Cognac Pacific Gateway, LLC, FTZ 202, Site 7.

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 amendment to Agreement No. 08-2723 between the City of Los Angeles Harbor Department and Cognac Pacific Gateway, LLC., FTZ 202, Site 7.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed first amendment to the FTZ Developer Agreement No. 08-2723 with Cognac Pacific Gateway, LLC, in FTZ No. 202, Site No.7. Cognac has paid an initial fee of \$2,500 to the Harbor Department for the development of FTZ Site No.7 during the original five-year term of the contract. Approval of the agreement provides tax and operating benefits to Cognac and economic development in the region. The proposed amendment will have no impact on the City General Funds and any funds will be deposited in the Harbor Revenue Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - MAY 10, 2014**

**(LAST DAY FOR COUNCIL ACTION - MAY 9, 2014)**

## SUMMARY

At a regular meeting held on March 25, 2014, your Trade, Commerce and Tourism Committee considered a Harbor Department transmittal relative to the first amendment of FTZ Developer Agreement No. 08-2723 with Cognac Pacific Gateway, LLC, in FTZ No. 202, Site No.7, located in Torrance, California. Cognac is a real estate investment firm whose principal address is in San Francisco, California. The original FTZ agreement with Cognac was for an initial term of five years, with three subsequent five-year renewal options, for a contract term up to 20 years. The original term began in February 2009 and expired in January 2014. The proposed amendment will execute the first contract renewal option for an additional five years, from February 1, 2014 to January 31, 2019. In addition, Cognac notified the Harbor Department that it does not own some of the original buildings on the FTZ Site 7 property, which requires approval by the Board of Harbor Commissioners for the revised map outlining the new property lines. According to the Harbor Department, all remaining terms and conditions of the agreement will remain in full force and effect.

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>
LABONGE:	YES
BUSCAINO:	ABSENT
BONIN:	YES

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**