

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the Third Amendment to the Port of Los Angeles (POLA) Foreign-Trade Zone (FTZ) General Purpose Operating Agreement with Customs Air Warehouse, Inc. (Customs Air).

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is administratively exempt under the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
2. APPROVE the Port Resolution No. 19-8454 for the Third Amendment to POLA FTZ General Purposes Operating Agreement No. 19-2340-C with Customs Air, extending the contract term by five years for the continued use of 37,000 square feet of office and warehouse space at FTZ 202, Site 2A, located at 5540 West 104th Street.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The proposed Third Amendment to the FTZ Agreement allows Customs Air to continue operating its warehouse and office facilities in FTZ Site No. 2A. Customs Air will pay the POLA an additional annual fee of \$7,750 per year and \$38,750 for a five-year contract term ending in June 2024. Funds will be deposited in the Harbor Revenue Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE – JULY 1, 2019

(LAST DAY FOR COUNCIL ACTION - JUNE 28, 2019)

SUMMARY

In a report to the Mayor dated April 22, 2019, the CAO states POLA requests approval of the Third Amendment to the FTZ General Purposes Operating Agreement with Customs Air. The current agreement expires June, 2019. The amendment extends the term by five years to June, 2014. Customs Air provides general warehousing and distribution facilities to receive, store, re-label, and manage inventory and distribute consumer products, accessories, and other merchandise for sale in domestic and international markets. On March 21, 2019, the Board of Harbor Commissioners approved POLA's request. The CAO concurs with this action.

At its meeting held May 21, 2019, the Trade, Travel, and Tourism Committee recommended that Council approve the Third Amendment to POLA FTZ General Purposes Operating Agreement with Customs Air, as recommended by the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



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

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-NOT OFFICIAL UNTIL COUNCIL ACTS-