

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to the proposed Foreign-Trade Zone (FTZ) agreement with Schenker, Inc. for FTZ 202, Site 41.

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 FTZ General Purpose Operating Agreement 15-3306 between the City of Los Angeles Harbor Department and Schenker, Inc. FTZ 202, Site 41.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the proposed FTZ Operator Agreement With Schenker, Inc. will have no impact on the City General Fund. Schenker has already paid a one-time Minor Boundary Modification Application fee of \$2,500 and application or activation fee of \$5,000, for a total of \$7,500. In addition to the \$7,500 fee, Schenker will pay an annual administrative fee of \$7,750 per year or \$38,750 for one five-year contract term, with three additional contract renewal options, subject to ratification by the Board, for up to a total 20-year contract term and total revenue of \$162,500, if the contract is renewed. 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 - APRIL 27, 2015

(LAST DAY FOR COUNCIL ACTION - APRIL 22, 2015)

SUMMARY

At a special meeting held on March 24, 2015, your Trade, Commerce and Tourism Committee considered a Harbor Department transmittal relative to proposed FTZ Operating Agreement No. 15-3306 with Schenker, Inc., in FTZ No. 202, Site No. 41, located in the City of Carson, approximately eight miles from the Port of Los Angeles (POLA). The proposed operating agreement with Schenker 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 new FTZ Operator plans to activate, operate and manage FTZ operations, including distribution and general warehouse facilities. The proposed FTZ site for Schenker is on land owned by the Watson Land Company. As a result of the newly proposed site for Schenker, the Harbor Department is required to execute a new FTZ operating agreement under the Federal FTZ and POLA procedures.

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>
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LABONGE:	YES
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BUSCAINO:	YES
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BONIN:	YES
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-NOT OFFICIAL UNTIL COUNCIL ACTS-