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July 28, 2021

Honorable Members of the
City Council of the
City of Los Angeles

CD No. 15

Attention: Mr. Michael Espinosa, City Clerk's Office

Subject: RESOLUTION NO. 21-9778 – PROPOSED FIRST AMENDMENT TO FOREIGN-TRADE ZONE GENERAL PURPOSE OPERATING AGREEMENT NO. 16-3376 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND MORGAN FABRICS CORPORATION FTZ 202, SITE F

Pursuant to Section 373 of the City Charter and Section 10.5 of the Los Angeles Administrative Code, enclosed for your approval is Resolution No. 21-9778 authorizing proposed First Amendment Foreign-Trade Zone (FTZ) Agreement No. 21-3376-A between the City of Los Angeles Harbor Department and Morgan Fabrics Corporation (Morgan); which was approved at the March 18, 2021 meeting of the Board of Harbor Commissioners. The proposed First Amendment will allow Morgan to continue operating its facility within FTZ 202, Site F, located at 4265 Exchange Ave., Vernon, California 90058. The Harbor Department, as the FTZ Grantee, establishes Operating Agreements with FTZ site operators to oversee their FTZ operations. Morgan's current FTZ Operating Agreement No. 16-3376 will expire on May 31, 2021. The First Amendment will extend the Operating Agreement by five years. Morgan requests to continue operating its warehouse as an FTZ warehouse. The Harbor Department needs to execute the First Amendment to extend the Agreement, as required by the FTZ Board. Site F consists of 1.9 acre site with a total square footage of approximately 49,000 square feet of warehousing and office space located approximately 23 miles from the Port of Los Angeles. Morgan will operate its facility under FTZ procedures as a Subzone site. If the proposed amendment is approved, the Harbor Department will receive \$10,000 annually from Morgan. There is no impact to the General Fund.

RECOMMENDATION FOR CITY COUNCIL:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. APPROVE Harbor Department Resolution No. 21-9778 authorizing proposed First Amendment Agreement No. 21-3376-A between the City of Los Angeles Harbor Department and Morgan Fabrics Corporation; and
3. Return to the Board of Harbor Commissioners for further processing.

Respectfully Submitted,

AMBER M. KLESGES
Commission Secretary

cc: Trade, Travel & Tourism Committee
Councilman Buscaino
Councilman Bonin
Councilman Krekorian
Heleen Ramirez, Mayor's Office

Erick Martell, Harbor Representative
Stephanie Magnien Rockwell, Harbor Representative
Janice Chang Yu, CAO
Dennis Gleason, CD15
Matthew Shade, CLA