

7 5/3

File No. 16-0400

CATEGORICAL EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE REPORT relative to the Foreign-Trade Zone (FTZ) agreement with Morgan Fabrics Corporation (Morgan) for FTZ 202, Site 202F.

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department (LAHD) 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 LAHD Resolution No. 16-7906 authorizing Agreement No. 16-3376 between the LAHD and Morgan.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the proposed FTZ Operator Agreement between the LAHD and Morgan will have no impact on the City General Fund. Morgan already has 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, Morgan will pay an annual administrative fee of \$10,000 per year or \$50,000 for one five-year contract term, with three additional contract renewal options, subject to ratification by the Board of Harbor Commissioners, for up to a total 20-year contract term and total revenue of \$207,500, 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 – JUNE 6, 2016**

**(LAST DAY FOR COUNCIL ACTION – JUNE 3, 2016)**

SUMMARY

At the meeting held on April 19, 2016, your Innovation, Grants, Technology, Commerce and Trade Committee considered a LAHD transmittal relative to approval of Resolution No. 16-7906 authorizing the proposed FTZ Operating Agreement No. 16-3376 with Morgan, in FTZ 202, Site No. 202F. The CAO reports that the FTZ site is located at 4265 Exchange Avenue, in the City of Vernon, California. The proposed operating agreement with Morgan is for an initial term of five years, with three subsequent five-year renewal options, for a possible contract term up to a total of 20 years. The FTZ Operator plans to activate, operate and manage the FTZ operations, including a general warehouse facility, under a Sub-Zone site, located approximately 23 miles from the Port of Los Angeles. A Single-User Zone Site means the operator is the sole user of the zone site, including the FTZ operators of the sites. 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,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE

A handwritten signature in blue ink, appearing to read "Blumenfeld", is written over the printed name.

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

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**