

ADMINISTRATIVE EXEMPTION, TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT, and ORDINANCE FIRST CONSIDERATION relative to amending Port of Los Angeles (POLA) Tariff No. 4, Section Eight, Space Assignments.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

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 Port Resolution No. 20-9708 amending POLA Tariff No. 4, Section Eight, Space Assignments, to increase the space assignment rates to a market level by January 1, 2022, and to match any increases to the Consumer Price Index (CPI) thereafter, with a minimum two percent increase every January 1; and, to increase the minimum charge, to add charges for fencing and utility use, and to ensure appropriate environmental review for each assignment.
3. PRESENT and ADOPT the accompanying ORDINANCE dated October 20, 2021, approving Order No. 20-7285 of the Board of Harbor Commissioners amending POLA Tariff No. 4.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The proposed amendment updates rates, terms, and conditions for non-exclusive use of POLA space. It is anticipated to generate \$90,000 in revenue for POLA through December 31, 2022. All funds will be deposited in the Harbor Revenue Fund.

Community Impact Statement: None submitted.

### SUMMARY

In a report to the Mayor dated April 14, 2021, the CAO states POLA requests approval of Resolution No. 20-9708 authorizing the adoption of Permanent Order No. 20-7285 and the accompanying Ordinance amending POLA Tariff No. 4 Port fees, Rules and Regulations, Section Eight, Space Assignments, to update rates, terms, and conditions for space assignments—short-term, non-exclusive use of covered areas, paved and unpaved land, and water space at the port, effective January 1, 2021. According to the CAO, the proposed Tariff Amendment will increase space assignment rates to a market level by January 1, 2022, and build in an annual CPI increase. Other changes include updating the minimum charge for a 30-day space assignment, adding rates for POLA-provided amenities to be in line with rates at the Port of Long Beach, and clarifying Tariff terms to ensure compliance with applicable laws, including environmental review.

The CAO reports that POLA grants as-needed 30-day space assignments to current or new tenants pursuant to the authority of the Department's Executive Director, generally for temporary assembly or storage of merchandise, terminal-related equipment or chassis, or operational or cargo-related purposes. Space assignments can be extended up to 30 days at a time. Rates charged for space assignments prior to 2021 have not changed since October 2005 and fall far below market rates for land and warehouse space. In order to target compliance with its financial and leasing policies, POLA proposes the amendment of Tariff space assignment rates to bring the rates in line with market rates, and to incorporate an automatic CPI adjustment factor.

On October 15, 2020, the Board of Harbor Commissioners approved POLA's request. The CAO concurs with this action

At its meeting held May 11, 2021, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed amendment of POLA Tariff No. 4, Section Eight, Space Assignments, as recommended by the Board of Harbor Commissioners and the CAO.

MEMBER    VOTE

BUSCAINO: YES

BONIN:        YES

LEE:            YES

jaw

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



**- NOT OFFICIAL UNTIL COUNCIL ACTS -**