

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the Port of Los Angeles (POLA) agreement with FedEx Trade Networks Transport and Brokerage, Inc. (FedEx), for the operation of a warehouse and the use of office space within Free Trade Zone (FTZ) 202.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1(14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the Port Resolution No. 17-8223 authorizing proposed POLA Agreement No. 18-3563 with FedEx for the operation of a warehouse and the use of office space within FTZ 202, Site 52, at 17120 South Main Street, Gardena, for \$7,500 per year for a term of five years with three, five-year renewal options.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that FedEx has paid the POLA a one-time application fee of \$5,000. In addition, FedEx will pay an annual administrative fee, from the beginning of its FTZ agreement, of \$7,500 per year or \$37,500 for one five-year contract term, and each subsequent five-year contract term. FedEx will have three additional renewal options up to a total 20-year contract term. Total revenue amount may generate up to \$155,000, including the \$5,000 application fee. In 2017, the POLA stated that the Department incurred expenses of approximately \$37,750 for outside consultants for all FTZ related consulting services and collected approximately \$337,000 in revenue from Port FTZ operators. The POLA provides FTZ operational sites as a service to its customers to promote international trade and commerce in the region.

Community Impact Statement: None submitted.

**TIME LIMIT FILE – MAY 14, 2018**

**(LAST DAY FOR COUNCIL ACTION – MAY 11, 2018)**

**SUMMARY**

In a report to the Mayor dated March 8, 2018, the CAO states that POLA requests approval of an agreement with FedEx for the use of office and warehouse at FTZ No. 202. FedEx plans to activate, operate and manage its FTZ facilities and operations as a multi-usage FTZ warehousing site. The FTZ site includes approximately 145,250 square feet of office and warehouse facility spaces on approximately 7.35 acres of land. FedEx will use the facility to store, receive, label, repackage, manage inventory, and distribute various products nationally.

On February 15, 2018, the Board of Harbor Commissioners approved POLA's request. The CAO concurs with this action.

At its meeting held March 20, 2018, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed FTZ agreement with FedEx, as recommended by the Board

of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in blue ink, appearing to be 'John', written over a horizontal line.

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

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**