

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the Port of Los Angeles (POLA) Free Trade Zone (FTZ) agreement with Phillips 66 Company, for the continued use and operation of office space and refinery and storage facilities.

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. 18-8306 authorizing proposed Agreement No. 18-3586 with Phillips 66 Company, for the continued use and operation of office space and refinery and storage facilities within FTZ 202, Site C, located in Carson, Torrance, and Wilmington.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the Phillips 66 Company will pay the POLA an administrative fee of \$10,000 per year or \$50,000 for one five-year contract term, and each subsequent five-year contract term. Phillips will have three additional renewal options, subject to approval by the Board of Harbor Commissioners, up to a total 20-year contract term. Total revenue anticipated from administrative fees for this contract may generate up to \$200,000. The POLA incurred expenses of approximately \$88,550 for outside consultants for all FTZ related consulting services and collected \$337,172 in revenue from POLA FTZ operators in 2017. The POLA provides FTZ sites as a service to its customers to promote international trade and commerce in the region.

Community Impact Statement: None submitted.

TIME LIMIT FILE – SEPTEMBER 21, 2018

(LAST DAY FOR COUNCIL ACTION - SEPTEMBER 21, 2018)

SUMMARY

In a report to the Mayor dated July 11, 2018, the CAO states that POLA requests authority to approve an FTZ agreement with Phillips 66 Company, for the continued use and operation of office space and refinery and storage facilities on 727 acres of land located within FTZ 202, Site C, located in Carson, Torrance, and Wilmington for an initial term of five years, with three subsequent five-year renewal options. According to the CAO, Phillips 66 will receive, store, manage inventory, and distribute various refined products for U.S. consumption and, sometimes, international uses.

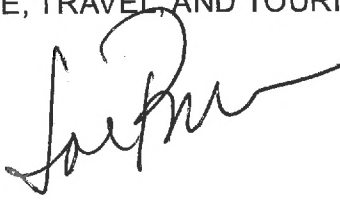
On June 21, 2018, the Board of Harbor Commissioners approved POLA's request. The CAO concurs with this action.

At its meeting held August 7, 2018, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed POLA FTZ agreement with Phillips 66, as recommended by

the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in black ink, appearing to be "John" followed by a stylized flourish.

<u>MEMBER</u>	<u>VOTE</u>
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BUSCAINO:	YES
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BONIN:	YES
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KREKORIAN:	YES
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-NOT OFFICIAL UNTIL COUNCIL ACTS-