

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL AND TOURISM COMMITTEE REPORT relative to proposed Foreign-Trade Zone (FTZ) Operating Agreement No. 23-9981 between the Port of Los Angeles (Port) and Customs Air Warehouse, LLC, FTZ 202, Site No. 10E, for a term of five years with three, five-year renewal options.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners (Board) that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2(f) of the City of Los Angeles CEQA Guidelines.
2. APPROVE the FTZ Operating Agreement No. 23-9981 between the City of Los Angeles Harbor Department (Port) and Customs Air Warehouse, LLC, FTZ 202, Site 10E, for a term of five years with three, five-year renewal options.
3. CONCUR with Board action on September 21, 2023, by Resolution No. 23-10242, authorizing the Port Executive Director, or designee, to execute the proposed agreement already approved as to form by the City Attorney.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the proposed FTZ Operating Agreement No. 23-9981 with Customs Air Warehouse, LLC will result in the Port receiving \$7,750 annually in accordance with FTZ Tariff No. 2. Approval of the Agreement is not projected to result in additional, incremental FTZ-related consulting service expenses being incurred by the Port. The recommendations in the report comply with the Port's Financial Policies. There is no impact to the City's General Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - APRIL 15, 2024
(LAST DAY FOR COUNCIL ACTION - APRIL 12, 2024)**

SUMMARY

At a regular meeting held on February 20, 2024, your Trade, Travel and Tourism Committee considered a Board of Harbor Commissioners report relative to proposed FTZ Operating Agreement No. 23-9981 between the Port and Customs Air Warehouse, LLC, FTZ 202, Site No. 10E, for a term of five years with three, five-year renewal options. The definition of a FTZ is a restricted access site located in the Customs and Border Protection territories. The Federal FTZ Board designated the Port as the Grantee/Administrator of FTZ 202 for the City of Los Angeles and the surrounding region.

After an opportunity for public comment was held, the Committee moved to approve the recommendations contained in the report dated February 12, 2024, as detailed above. This matter is now forwarded to City Council for consideration.

Respectfully submitted,

TRADE, TRAVEL AND TOURISM COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PARK	YES
McOSKER	YES
SOTO-MARTINEZ	YES