

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL AND TOURISM COMMITTEE REPORT relative to proposed Third Amendment to Foreign-Trade Zone (FTZ) Operating Agreement No. 22-2633-C between the Port of Los Angeles (POLA) and Schafer Brothers Distribution Center, Inc. (Schafer Brothers) FTZ 202, Site No. 12.

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 Third Amendment to FTZ Operating Agreement No. 22-2633-C between the City of Los Angeles Harbor Department (POLA) and Schafer Brothers, FTZ 202, Site No. 12, to extend the term by five years retroactively from October 1, 2022 through September 30, 2027.
3. CONCUR with Board action on December 1, 2022, by Resolution No. 22-10105, authorizing the Executive Director, POLA, or designee, to execute the proposed Third Amendment to Foreign-Trade Zone Operating Agreement No. 22-2633-C.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the proposed Third Amendment to FTZ Operating Agreement No. 22-2633-C with Schafer Brothers will result in POLA receiving \$7,750 annually in accordance with FTZ Tariff No. 2. Approval of the amendment is not projected to result in additional, incremental FTZ-related consulting service expenses being incurred by POLA. The recommendations in the report comply with the POLA's Financial Policies. There is no impact on 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. 22-2633-C between POLA and Schafer Brothers FTZ 202, Site No. 12. The Foreign Trade Zone Act of 1934, as amended (19 U.S.C. 81a-81u), was enacted to support U.S. commerce and create jobs by reducing import duties or excise taxes by deferring payment of duties, thereby making it attractive for companies to perform some work on their products in the U.S. rather than offshore.

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