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Executive Director

February 12, 2024

Honorable Members of the
City Council of the
City of Los Angeles

CD No. 15

Attention: Mr. Andrew Suh, City Clerk's Office

Subject: RESOLUTION NO. 23-10173: APPROVAL OF FIRST AMENDMENT TO FOREIGN-TRADE ZONE (FTZ) OPERATING AGREEMENT NO. 18-3563, BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND FEDEX TRADE TRANSPORT AND BROKERAGE, INC., FTZ 202, SITE 52

Pursuant to Section 373 of the City Charter and Section 10.5 of the Los Angeles Administrative Code; enclosed for your approval is Resolution No. 23-10173 for the proposed approval of a First Amendment to Foreign-Trade Zone (FTZ) Operating Agreement No. 23-3563-A between the City of Los Angeles Harbor Department and FedEx Trade Transportation and Brokerage, Inc. (FedEx) to continue operating its facility within FTZ 202, Site 52, located at 17120 South Main Street, Gardena, CA 90248. The Harbor Department, as the FTZ Grantee, establishes Operating Agreements with FTZ site operators to oversee their FTZ operations. FTZ Operating Agreement No. 18-3563 is currently scheduled to expire on April 30, 2023. The First Amendment will extend the term of the Operating Agreement by five years. FedEx requests to continue operating its warehouse as an FTZ warehouse. The Harbor Department must execute the First Amendment to extend the Agreement, as required by the FTZ Board. Site 52 consists of a 7.35-acre site that includes a warehouse and office space located 10 miles from the Port of Los Angeles. FedEx will operate its facility under FTZ procedures as a multi-usage site. If the proposed amendment is approved, the Harbor Department will receive \$7,750 annually from FedEx (per FTZ Tariff No. 2). There is no impact to the General Fund.

RECOMMENDATION FOR CITY COUNCIL:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines and;
2. APPROVE POLA Resolution No. 23-10173 for the proposed First Amendment to Foreign-Trade Zone Operating Agreement No. 23-3563-A between the City of Los Angeles Harbor Department and FedEx Trade Transportation and Brokerage, Inc.

Respectfully Submitted,

AMBER M. KLESGES
Commission Secretary

cc: Trade, Travel & Tourism Committee
Councilwoman Park, Chair
Councilman McOsker
Councilman Soto-Martinez
Heleen Ramirez, Mayor's Office
Jacqueline Wagner, CAO
Sergio Carrillo, CD15

Erick Martell, Mayor's Office
Stephanie Magnien Rockwell, Harbor Representative
Jim House, CAO
Kevin Brunke, CD11
Tristan Noack, CLA
Anissa Raja, CD15