

T 1112

CATEGORICAL EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE REPORT relative to the Foreign-Trade Zone (FTZ) agreement with Prospect Enterprise dba Kansas Marine Co. (Kansas) for FTZ 202, Site 45.

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department (LAHD) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Class 1(14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the FTZ agreement with Kansas for FTZ 202, Site 45.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the proposed FTZ Operator Agreement with Kansas will have no impact on the City General Fund. Kansas already has paid a one-time Minor Boundary Modification Application fee of \$2,500 and application or activation fee of \$5,000, for a total of \$7,500. In addition to the \$7,500 fee, Kansas will pay an annual administrative fee of \$7,750 per year or \$38,750 for one five-year contract term, with three additional contract renewal options, subject to ratification by the Board of Harbor Commissioners, for up to a total 20-year contract term and total revenue of \$162,500, if the contract is renewed. There will be no impact on the City General Fund. All funds will be deposited in the Harbor Revenue Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE – FEBRUARY 1, 2016

(LAST DAY FOR COUNCIL ACTION – JANUARY 29, 2016)

SUMMARY

At the meeting held on December 15, 2015, your Innovation, Grants, Technology, Commerce and Trade Committee considered a LAHD transmittal relative to a FTZ Operating Agreement No. 15-3353 with Kansas, in FTZ 202, Site No. 45. The CAO reports that FTZ site is located at 625 Kohler Street in the City of Los Angeles, approximately 20 miles from the Port of Los Angeles. The proposed operating agreement with Kansas is for an initial term of five years, with three subsequent five-year renewal options, for a possible contract term up to a total of 20 years. The FTZ Operator plans to activate, operate and manage FTZ operations, including a general warehouse facility, under a multi-usage site. A multi-usage operator provides FTZ services to the public. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE



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

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-