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July 28, 2021

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

CD No. 15

Attention: Mr. Michael Espinosa, City Clerk's Office

Subject: RESOLUTION NO. 21-9777 – PROPOSED FOREIGN-TRADE ZONE GENERAL PURPOSE OPERATING AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND NIPPON EXPRESS USA INC., FTZ 202, SITE 4E

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. 21-9777 authorizing proposed Agreement No. 21-9792 between the City of Los Angeles Harbor Department and Nippon Express USA Inc. (Nippon Express); which was approved at the March 18, 2021 meeting of the Board of Harbor Commissioners. The proposed Agreement will allow Nippon Express to operate its facility within FTZ 202, Site 4E, which is located at, 18651 Ferris Place, Carson, California. This is a seven-acre property including a warehouse located within Magnet Site 4, approximately 10 miles north of the Port of Los Angeles. Currently, Site 4E is managed by Nippon Express NEC Logistics America Inc, that will cease operation on March 31, 2021. Nippon Express, a sister division of Nippon Express NEC Logistics America, Inc. will take over the operation of this site on April 1, 2021. The proposed Agreement is for a term of five years with three, five-year renewal options, and an effective date of April 1, 2021, the date upon which Nippon Express will begin managing site 4E. Should the proposed Agreement be approved, the Harbor Department will receive \$7,750 annually from Nippon Express. 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) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. APPROVE Harbor Department Resolution No. 21-9777 authorizing proposed Agreement No. 21-9792 between the City of Los Angeles Harbor Department and Nippon Express USA Inc.; and
3. Return to the Board of Harbor Commissioners for further processing.

Respectfully Submitted,

  
AMBER M. KLESGES  
Commission Secretary

cc: Trade, Travel & Tourism Committee  
Councilman Buscaino  
Councilman Bonin  
Councilman Krekorian  
Heleen Ramirez, Mayor's Office

Erick Martell, Harbor Representative  
Stephanie Magnien Rockwell, Harbor Representative  
Janice Chang Yu, CAO  
Dennis Gleason, CD15  
Matthew Shade, CLA