

0150-10533-0002

TRANSMITTAL

TO Eugene D. Seroka, Executive Director Harbor Department	DATE 07/26/21	COUNCIL FILE NO. 15-1429
FROM The Mayor		COUNCIL DISTRICT 14

PROPOSED SECOND AMENDMENT TO FOREIGN-TRADE ZONE (FTZ) OPERATING AGREEMENT NO. 15-3353 WITH KANSAS MARINE CO. FOR FTZ 202, SITE 45

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.



MAYOR

(Rich Llewellyn for)

RHL:JCY:10210152t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 1, 2021

CAO File No. 0150-10533-0002

Council File No. 15-1428

Council District: 14

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Correspondence from the Harbor Department dated April 22, 2021; referred by the Mayor for report May 14, 2021

Subject: **PROPOSED SECOND AMENDMENT TO FOREIGN-TRADE ZONE (FTZ)
AGREEMENT NO. 15-3353 WITH KANSAS MARINE CO. FOR FTZ 202, SITE 45**

RECOMMENDATIONS

Approve the Harbor Department (Port) Resolution No. 21-9795 authorizing the proposed Second Amendment to Foreign-Trade Zone (FTZ) Operating Agreement No. 15-3353 with Prospect Enterprise dba Kansas Marine Co. to change the corporate name to Kansas Marine Inc.; and, return the Resolution document to the Port for further processing, including Council consideration.

SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) requests approval of Resolution No. 21-9795 authorizing the proposed Second Amendment to Foreign-Trade Zone (FTZ) Operating Agreement No. 15-3353 (Agreement) with Prospect Enterprise dba Kansas Marine Co. (KMC) to change the corporate name to Kansas Marine Inc. (KMI). The Port reports that only a corporate name change has been made and that there is no alteration of company ownership. KMI continues to operate its offices and warehousing facilities at 625 Kohler Street in downtown Los Angeles, California, approximately 25 miles from the Port of Los Angeles, as FTZ 202, Site 45. Except for this change, all other terms and conditions of the Agreement remain in effect. Board approval is required to exercise any renewal options and changes to the Agreement.

The original Agreement for FTZ 202, Site 45 with KMC was for an initial term of five years beginning in February 2016, with three subsequent five-year renewal options, for a term of up to 20 years. The Board approved the First Amendment to the Agreement exercising a first renewal option of four years, through January 31, 2025, on December 17, 2020. KMI provides transport, logistic, warehouse, wholesale and distribution services for imported food and seafood products for the cruise ship industry. FTZ 202, Site 45 consists of approximately 88,500 square feet of warehouse and office space on three acres of land. KMI employs 16 full-time employees at the FTZ site and will continue to operate Site 45 as a multi-usage FTZ facility, receiving, storing, repackaging and

relabeling, managing logistics and inventory, and distributing various products mainly related to the cruise ship industry.

The proposed Amendment complies with City requirements and has been approved as to form and legality by the City Attorney. The Port reports that the proposed action is an administrative activity and is therefore 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.

FISCAL IMPACT STATEMENT

The proposed Second Amendment to Foreign-Trade Zone (FTZ) Operating Agreement No. 15-3353 between the Harbor Department (Port) and Prospect Enterprise dba Kansas Marine Co. to change its corporate name to Kansas Marine Inc. has no impact on the City General Fund or the Harbor Revenue Fund.

RHL:JCY:10210152