

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to the proposed Foreign-Trade Zone (FTZ) agreement with Spectrum Brands, Inc. for FTZ 202, Site 20A.

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Section 1 (14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the FTZ General Purpose Operating Agreement 15-3307 between the City of Los Angeles Harbor Department and Spectrum Brands, Inc. FTZ 202, Site 20A.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the proposed FTZ Operator Agreement with Spectrum Brands, Inc. will have no impact on the City General Fund. Spectrum Brands has already 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, Spectrum Brands 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, 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 - APRIL 27, 2015**

**(LAST DAY FOR COUNCIL ACTION - APRIL 22, 2015)**

#### SUMMARY

At a special meeting held on March 24, 2015, your Trade, Commerce and Tourism Committee considered a Harbor Department transmittal relative to the FTZ Operating Agreement No. 15-3307 with Spectrum Brands, Inc., in FTZ No. 202, Site No. 20A, located in the City of Mira Loma, California, approximately 60 miles from the Port of Los Angeles. The CAO reports that the proposed operating agreement with Spectrum Brands is for an initial term of five years, with three subsequent five-year renewal options, for a contract term up to a total of 20 years. The new FTZ operator plans to activate, operate and manage FTZ operations, including distribution and general warehouse facilities.

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,

TRADE, COMMERCE, AND TOURISM COMMITTEE

A handwritten signature in blue ink, appearing to read 'D. Labonge', with a long horizontal flourish extending to the right.

<u>MEMBER</u>	<u>VOTE</u>
LABONGE:	YES
BUSCAINO:	YES
BONIN:	YES

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**