



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 8, 2017

FROM: GOVERNMENT AFFAIRS

**SUBJECT: RESOLUTION NO. _____ – MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT
AND THE COUNTY OF MERCED REGARDING THE MID-CALIFORNIA
INTERNATIONAL TRADE DISTRICT AT CASTLE COMMERCE
CENTER**

SUMMARY:

The City of Los Angeles Harbor Department (Department) is seeking ratification of a Memorandum of Agreement (MOA) with the County of Merced regarding the Mid-California International Trade District (District) at Castle Commerce Center executed by the Executive Director. The MOA should have been presented to the Board of Harbor Commissioners prior to its execution due to its term.

The Department views regions within the State as valuable to its competitiveness, and views California's Central Valley region as uniquely attractive for its business growth. The Department seeks ratification of the MOA with the County of Merced to pursue joint business development and policy advocacy in order to develop commerce through the Port of Los Angeles and support economic development at the Mid-California International Trade District. The MOA will become effective upon its full ratification and is for a term not to exceed two (2) years.

RECOMMENDATION:

It is recommended the Board of Harbor Commissioners (Board):

1. Ratify the Memorandum of Agreement between the City of Los Angeles Harbor Department and the County of Merced regarding the Mid-California International Trade District at Castle Commerce Center;
2. Ratify the Executive Director's execution, and authorize the Board Secretary to attest to, the proposed Memorandum of Agreement for and on behalf of the Board;

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DISTRICT AT CASTLE COMMERCE CENTER**

3. Authorize the Executive Director and/or his designee to work with the County of Merced to effectuate the responsibilities outlined in the Memorandum of Agreement; and,
4. Adopt Resolution No. _____.

DISCUSSION:

The Harbor Department has an interest in supporting California's economic development by connecting trade growth with economic prosperity throughout the state, and views California's Central Valley region as uniquely attractive for its business growth. Greater connectivity with this region enhances the Department's competitiveness.

The County of Merced (Merced) is located in California's Central Valley and is a community with a rich heritage in agriculture. Merced is seeking to diversify its economy by capitalizing on its location, its competitive cost structure, its strong logistics connectivity via rail, road and air, and through secondary connections to California's seaports.

The County is developing a 2,000 acre multimodal investment district called the 'Mid-California International Trade District' (District). The District is designed to house over 8-million square feet of industrial development supporting over 9,000 jobs onsite, and an estimated \$1-billion planned for capital investment. The District site is connected to CA Route 99, to rail via a direct connection to a transcontinental line, to air via an onsite airport and close proximity to five major airports, and to nearby seaports, including rail connectivity to the San Pedro Bay Port Complex.

Merced is developing the site for industrial investment in a range of manufacturing and distribution sectors, including automotive, industrial machinery, specialty chemicals, commercial space systems, medical products and supplies and food production. The District has begun development which currently houses over 75-business tenants, and will include the California AutoTech Complex, a specialized asset to support next-generation automotive testing, development and production, currently Google/Waymo's autonomous car test facility.

The Harbor Department and Merced believe that the scale of the District project makes it important to the State of California's economy and advances the state's goals of a sustainable, efficient and competitive supply chain. Merced is also committed to

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environmental stewardship as they work collectively to develop the County's local and international trade connections to the Port.

The Department seeks ratification of the MOA with the County of Merced to pursue joint business development and policy advocacy in order to develop commerce and support economic development at the Mid-California International Trade District. Under the MOA, the Harbor Department and Merced commit to:

1. Form a joint Business Development Plan that focuses on the creation of sustainable and efficient two-way domestic and international trade connections between the District and the Harbor Department/Port;
2. Educate supply chain stakeholders and the public generally about the partnership and its benefits to the state and national economy;
3. Conduct exporter outreach in the Central Valley;
4. Collaborate to share business intelligence and work on prospective deals;
5. Cooperate in the promotion of the partnership to regional, national, and trade press;
6. Collaborate in creation of future agreements that fulfill the goal of expanded local participation in efficient and sustainable international trade at the Harbor Department/Port;
7. Work jointly to collaborate with other supply chain stakeholders to advance the purposes of the MOA; and
8. Coordinate in the creation of outreach plans extolling the benefits of the District and its relationship with the Harbor Department/Port.

The MOA will become effective upon its full ratification, and is for a term not to exceed two (2) years from the date of signature by the Executive Director. The Executive Director and/or his designees will work with the County of Merced to effectuate the responsibilities outlined in the MOA.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Memorandum of Agreement between the City of Los Angeles Harbor Department and the County of Merced regarding the Mid-California International Trade District at Castle Commerce Center. As an administrative activity, the Director of Environmental Management has determined that the proposed action is administratively exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

There are no direct monetary commitments in the proposed Memorandum of Agreement. Commitments outlined in the MOA will fall under the normal course of business which is budgeted and approved by the Board on an annual basis.

CITY ATTORNEY:

The Office of the City Attorney (CA) has reviewed and approved the MOA between the Department and the County of Merced as to form and legality. The CA should have advised this MOA be presented to the Board initially due to its term; ratification is necessary to effectuate the terms of the MOA.

TRANSMITTAL:

- 1. Memorandum of Agreement between the City of Los Angeles Harbor Department and the County of Merced

FIS Approval: MB

CA Approval: ML

APPROVED:



DAVID LIBATIQUE
Senior Director, Government Affairs
Author: MCDR


EUGENE D. SEROKA
Executive Director