



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: SEPTEMBER 25, 2017

FROM: TRADE DEVELOPMENT

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE CITY OF LOS ANGELES AREA CHAMBER OF COMMERCE FOUNDATION

SUMMARY:

Staff is requesting the Board of Harbor Commissioners (Board) to ratify past spending through approval of a one year \$150,000 contract with the Los Angeles Area Chamber of Commerce (Chamber) Foundation's Los Angeles Regional Export Council (LARExC). The Chamber was already paid \$300,000; \$150,000 in 2012 and \$150,000 in 2016 under prior Executive Director Agreements. However, there was no contract in place to pay the Chamber the final installment of \$150,000 for services rendered during Calendar Year 2017. The Harbor Department is financially responsible for payment and Board approval is required to ratify prior spending and pay the Chamber Foundation.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Ratify the two previous non-consecutive Executive Director Agreements and expenditures with the Los Angeles Area Chamber of Commerce Foundation's Los Angeles Regional Export Council (LARExC) between 2012 and 2016, which should have originally been components of one overall agreement in the amount of \$450,000;
3. Approve Agreement with the Los Angeles Area Chamber of Commerce Foundation for a term of one year in the amount of \$150,000;
4. Authorize the Executive Director to execute the proposed Agreement and the Board Secretary to attest said Agreement; and
5. Adopt Resolution No. _____.

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DISCUSSION:

Background – In 2012, the City of Los Angeles, marshaled by the Mayor’s Office, partnered with Brookings Institution to develop the Los Angeles Regional Export Plan (Export Plan). The Export Plan initiatives grow the regional economy through international trade, attract foreign direct investment, and target high opportunity market sectors and streamline export services in the Los Angeles region through the creation of the Los Angeles Regional Export Council (LARExC).

The City of Los Angeles Harbor Department (Harbor Department) and Los Angeles World Airports (LAWA) were asked by the Mayor’s Office in 2010 to support this effort and share in its initial funding through a non-profit public benefit corporation sponsored and managed by the Los Angeles Area Chamber of Commerce (Chamber) Foundation.

Metropolitan Export Initiative Background/Context – The Brookings Institution (Brookings) was directed by the National Export Initiative, to create and implement a Metropolitan Export Plan (MEP – Transmittal 1). This export plan assists key areas in taking initiatives to grow their regional economies internationally through exports and foreign direct investment. With support from the Mayor’s Office, the City of Los Angeles was selected as the first “Global City” under this initiative. The result of the Brookings 18-month consultative study was the creation of the Export Plan. Under the Export Plan, the fundamental goal is coordination of multiple trade organizations and resources to fill gaps in services to the local business community. Three core strategies included; (1) establishing LARExC; (2) targeting high opportunity market sectors; and (3) marketing the Los Angeles Region globally.

The Brookings MEP study also concluded that in order to establish long term sustainability, a non-governmental, and non-profit entity would be the most effective approach. With the support of the Mayor of the City of Los Angeles, LARExC was established in 2010 under the Chamber Foundation, a 501 (C) 3 entity. The LARExC Board is composed of representatives from the Office of Mayor Eric Garcetti, the Harbor Department, LAWA, Chamber, the California Governor’s Office (GO-Biz), the State of California International Trade Development Office (CITD), UCLA Anderson and USC Marshall business schools and the Los Angeles Mayor’s Office. Federal agencies such as the U.S. Department of Commerce, the U.S. EXIM Bank, SBA and the District Export Council of Southern California serve as honorary LARExC board members.

Under LARExC an MOU to coordinate trade and investment leads and Federal, State and local programs for the five county region of Los Angeles, Orange, Riverside, San Bernardino and Ventura counties was executed in 2013 in order to establish a strategic partnership to promote exports and attract foreign direct investment. Under the leadership of LARExC, this regional approach to specific overseas markets was taken to promote our manufacturing sector and distribution centers, as well as to attract

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investors from overseas. The primary geographic markets include seven provinces in China (Working Group), South Korea, Japan, the Pacific Alliance (Mexico, Colombia, Peru and Chile), ASEAN (Singapore, Thailand, Vietnam, Philippines, Malaysia, Myanmar, Indonesia, Brunei, Laos and Cambodia) and the European Union.

Past Harbor Department Support – The Harbor Department was asked by the Mayor's Office to support this effort and share in its initial funding. The initial funding from the Harbor Department was intended to be for three years in the amount of \$450,000. However, instead of one contract for the entire amount over a three-year period, the Harbor Department broke down its commitment into \$150,000 increments. The first two installments were applied through two non-consecutive Executive Director Agreements (Transmittals 2 and 3) in 2012 and 2016. Although the first two agreements were executed – the third was never prepared or approved because of changes in Harbor Department administration. This proposed Agreement is now being submitted in order to fulfill the original funding obligation through a request to the Board to approve past actions as components of what originally should have been one Agreement for \$450,000.

The third and final Agreement authorizing payment to the Chamber for \$150,000 is now being presented to the Board for approval. Attached is a list of deliverables which have been carried out by LAREx C during this final year of service (Transmittal 4) as well as the agreement with the Chamber Foundation (Transmittal 5) and corresponding Scope of Work (Transmittal 6).

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a one year contract with LAREx C, which is an administrative activity. As such, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines

FINANCIAL IMPACT:

The proposed agreement provides the legal authority for the Harbor Department to expend the \$450,000 (of which \$300,000 has already been paid) for the services described in this report; as a component of this \$450,000 the Harbor Department requests approval of the final one-year agreement for \$150,000 as described herein. Funds in the amount of \$150,000 have been budgeted and are available for FY 17/18 in Center 0270, Account 54290, and Program 000 to fund the proposed one-year agreement.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Agreement for form and legality.

TRANSMITTAL:

1. Los Angeles Regional Export Plan – Metropolitan Export Initiative
2. Agreement No. 6662 with the Los Angeles Area Chamber of Commerce Foundation
3. Agreement No. 6823 with the Los Angeles Area Chamber of Commerce Foundation
4. Deliverables provided by the Los Angeles Export Council
5. Agreement with the Los Angeles Area Chamber of Commerce Foundation
6. Scope of Work

FIS Approval: MB

CA Approval: CRB



JIM MACLELLAN
Director of Trade Development

APPROVED:

 FOR

EUGENE D. SEROKA
Executive Director