



# IMPERIAL VALLEY FOREIGN TRADE ZONE

IMPERIAL COUNTY COMMUNITY AND ECONOMIC DEVELOPMENT • 940 W. Main St., Ste. #203, El Centro, CA, 92243

## MEETING MINUTES

Tuesday, November 10, 2015 1:30 PM  
City of El Centro, Economic Development Conference Room  
1249 Main St. El Centro, CA 92243

### PROCEEDINGS

A meeting of the Imperial Valley Foreign Trade Zone – Joint Powers Authority (IVFTZ-JPA) was held on Tuesday, November 10, 2015 at 1:30 p.m. at City of El Centro, Economic Development Conference Room located at 1249 Main St. El Centro, CA 92243

### ATTENDEES

#### ***JPA Members***

City of Brawley  
  
City of Calexico  
City of El Centro

#### ***Primary***

Rosanna Bayon MOORE  
(Phone Conference)  
  
Ruben DURAN

#### ***Alternate***

Julia OSUNA

#### ***Consultants***

ITC-Diligence, Inc.

David HARLOW  
(Phone conference)

#### ***Coordinating Staff***

I.C. Community & Econ. Development

Esperanza Colio WARREN  
Cindy PEREZ

#### ***Other Invitees***

CBP Calexico  
City of Imperial  
City of Holtville  
JE Exports  
Imperial Railport

Victor AVILA  
Marlene BEST  
Nick WELLS  
Jose ENRIQUEZ  
Fred MERCURIO

Jorge GALVAN

Vincent CRISLI  
Richard ROBINSON

### MINUTES

#### ***I. Call meeting to order***

# IMPERIAL VALLEY

## FOREIGN TRADE ZONE

---

a. Roll call

Meeting was called to order by J. OSUNA at 1:35 p.m. Roll call was performed by C. PEREZ with three (3) JPA members present, it was determined that quorum was met. **Present:** City of Brawley, City of Calexico, City of El Centro.

b. Approval of 09/03/2015 minutes

J. OSUNA opened discussion to approve the minutes for 09/03/2015. R. DURAN motioned to approve the minutes. J. OSUNA seconded the motion. J.OSUNA put the motion to a vote. **Vote:** 3 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

### II. Special Presentations

a. Department of Homeland Security - Victor U. Avila, ACS/ACE/TINMAN Coordinator  
(CBP Operator's Activation Process)

V. AVILA was invited to participate on the IVFTZ-JPA meeting to explain the process of activation and expectations for new business applying to the Foreign Trade Zone. The process begins when Homeland Security gets a general application from a company to become a Foreign Trade Zone operator. They have to concur with the location, safety, and security of the facility. CBP request form 3078 to be submitted by all employees in the company for a background check. Once pre-approved, employees have to attend a scheduled interview. The next step is to issue a letter of approval. The process can take approximately 6 months. Depending on their location, some companies have to submit a boundary modification request and get approval before they can continue with the process. V. AVILA will email E.C. WARREN form CE-7256 Security Standards to be distributed among members.

b. Imperial Railport – Fred Mercurio, President (Potential IVFTZ activation)

F. MERCURIO, president of Imperial Railport, introduced himself, V. CRISLI as Chief Operations Officer, and R. ROBINSON as Chief Technology Officer to the IVFTZ-JPA board members. F. MERCURIO gave a brief description of the company. Imperial Railport is an 18 years old rail transloading and distribution business recently partnered with Union Pacific. This company has experience with imports and exports to and from Mexico. Imperial Railport warehouse is located in the City of Imperial. This company has transferred chassis and steel products for Toyota. The company is currently composed of 8 employees but envisions employing up to 30 people in the future. The purpose of Imperial Railport is to bring back railroad services to the Imperial Valley. Imperial Railroad is offering to the Imperial Valley up to 33% in logistics savings by transferring goods by rail instead of trucks, and to help reduce contamination of trucks in the area.

# IMPERIAL VALLEY FOREIGN TRADE ZONE

---

### III. Discussion/action

a. Alternative Site Framework (ASF) Application Update

D. HARLOW provided an update to the Alternative Site Framework application. Minor boundary modification for JE Exports was completed. Chris Kempt, Foreign Trade Zone board representative, is now working on drafting the Federal Registry for public comment. E.C. WARREN will request information from Chris Kempt and Miller & Co. regarding the public comment period publication times.

b. Outcome on ASF Workshop October 12

E.C. WARREN informed IVFTZ-JPA members about two inquiring companies, The Five Crowns Marketing and Desert Farms, interested in getting more information about becoming zone operators after the ASF Workshop. D. HARLOW followed up with the inquiring companies. After a cost analysis with one of the companies it was determined that there was no benefit from FTZ due to their qualification to NAFTA.

c. Report on NAFTAZ annual conference

E.C. WARREN and Ralph Cordova Jr. attended the 43<sup>rd</sup> NAFTAZ Annual Conference in Los Angeles, CA from September 27 to September 30, 2015. J. OSUNA was unable to attend. Since no reimbursement was granted Mr. Cordova attended in her place. E.C. WARREN reported to the IVFTZ members about the opportunity to meet with the FTZ representatives from Washington D.C. and to get a better understanding about the new Alternative Site Framework at the conference. The workshops were about the responsibilities as entities and the issues and concerns of monitoring the operators. D. HARLOW explained how as a consultant ITC-Diligence conducts annual monitoring reports to reconnect with operators and make sure they are in compliance with the requirements. Through this monitoring, ITC-Diligence makes recommendations to operators to help them maximize their benefits and to avoid liabilities. D. HARLOW talked about the FTZ inventory control software which is not a requirement but helps operators meet minimum requirements to be in compliance with program rules and regulations.

d. Discuss Draft of New JPA Agreement

E.C. WARREN proposed to the IVFTZ-JPA members to request County Counsel to prepare a new IVFTZ-JPA agreement to include all 7 cities and the County of Imperial instead of amending the original agreement. Direction was provided to the County to ask County Counsel to prepare a draft for a new JPA agreement to include all cities and County of Imperial. ICCED will provide a copy of the draft to all cities for review as soon as county counsel provides it. A meeting will be held in December to discuss any questions regarding this new agreement. New cities will participate in trainings and will be included in marketing materials by ITC-Diligence.

e. Update Information on MyDistribution Center

# IMPERIAL VALLEY

## FOREIGN TRADE ZONE

---

The County sent a letter preceded by an email to Mr. Romero to set a deadline to comply with the IVFTZ operator's agreement. Mr. Romero replied the email and indicated his interest in complying with the requirements before the specified deadline.

- f. ITC- Diligence, Inc. request to perform due diligence for Imperial Railport

R.B. MOORE made a motion to authorize ITC- Diligence, Inc. request to perform due diligence for Imperial Railport. R. DURAN seconded the motion. J. OSUNA put the motion to a vote. **Vote:** 3 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

#### **IV. Future agenda items and other business**

- a. Future Agenda  
Approval of New JPA Agreement.

#### **V. Next meeting date**

- a. December, date to be determined.

#### **VI. Meeting adjourned**

- a. Meeting was adjourned at 2:58 p.m.