



IMPERIAL VALLEY FOREIGN TRADE ZONE

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

MEETING MINUTES

Monday, December 15, 2014
3:15 p.m.
City of El Centro Economic Development Department
1249 W. Main St., El Centro, CA 92243

PROCEEDINGS

A meeting of the Imperial Valley Foreign-Trade Zone – Joint Powers Authority (IVFTZ-JPA) was held on Monday, December 15, 2014, at 3:15 p.m., at the City of El Centro Economic Development Department located at 940 W. Main St., El Centro, CA 92243.

ATTENDEES

JPA Members

County of Imperial
City of Brawley
City of Calexico
City of Calipatria
City of El Centro

Primary

Rosanna Bayon MOORE
Richard WARNE
Romualdo MEDINA

Alternate

Andy HORNE
Julia OSUNA
Marcela PIEDRA

Consultants

ITC-Diligence, Inc.

David HARLOW

Coordinating Staff

I.C. Community & Econ. Development

Esperanza Colio WARREN

Cindy PEREZ

MINUTES

1. Call meeting to order

- a. Roll call

Meeting was called to order by R. WARNE at 3:17 p.m. Roll call was performed by C. PEREZ. With three (3) JPA members present, it was determined that quorum was met. **Present:** *County of Imperial, City of Calexico, City of Calipatria, City of Brawley, City of El Centro* (County of Imperial and City of Calipatria were not present at the time of roll call but arrived later).

IMPERIAL VALLEY

FOREIGN TRADE ZONE

b. Approval of 08/11/2014 minutes

R. WARNE opened discussion on the minutes dated 08/11/2014. *R.B. MOORE motioned to approve the minutes as presented.* M. PIEDRA seconded the motion. R. WARNE put the motion to a vote. **Vote: 3 in favor, 0 against, 0 abstain** (County of Imperial and City of Calipatria were not present at the time of the vote). **Motion passed.**

II. Discussion/action

a. IVFTZ-JPA Election of Officers

M. PIEDRA nominated the City of Calexico to continue as Chair. Ms. PIEDRA then proceeded to make a motion to maintain the current officers (City of Calexico as Chair and City of Brawley as Vice Chair).

Acknowledging M. PIEDRA's nomination for the City of Calexico to continue as chair, R.B. MOORE seconded the motion. R. WARNE put the motion to a vote. **Vote: 3 in favor, 0 against, 0 abstain** (County of Imperial and City of Calipatria were not present at the time of the vote). **Motion passed.**

M. PIEDRA nominated the City of Brawley to continue as Vice Chair. R.B. MOORE seconded the motion. R. WARNE put the motion to a vote. **Vote: 3 in favor, 0 against, 0 abstain** (County of Imperial and City of Calipatria were not present at the time of the vote). **Motion passed.**

b. Alternative Site Framework RFP Selection

E.C. WARREN provided information regarding the Alternative Site Framework (ASF) proposals received and supplemental documents. M. PIEDREA presented information regarding the ASF subcommittee to select a consultant; noting Miller & Company as the recommended consultant from the subcommittee.

JPA members discussed the proposed cost between all four proposals received. It was noted by the members that Lamb and Lerch was deemed unresponsive as they did not provide a cost in their proposal. The members also discussed the selection of Miller & Company.

E.C. WARREN noted that Miller & Company will be preparing the documents for the application and County staff will provide the information for the application. Thus, E.C. WARREN requested an amendment in the funding for this year to manage the Foreign Trade Zone. She suggested this additional allocation to assist the consultant in putting together the application.

Prior to proceeding with a motion for Miller & Company, M. PIEDRA asked D. HARLOW if the selection poses any issues with ITC Diligence as they are the operating consultants for FTZ. D. HARLOW assured the JPA that there are no issues with their selection. R.B. MOORE asked, in the case that the County will not be able to provide certain information, if ITC Diligence will be able to provide what is required. D. HARLOW informed the JPA he would provide advice and

IMPERIAL VALLEY

FOREIGN TRADE ZONE

guidance as needed. Mr. HARLOW then suggested that Miller & Company include trips and travel expenses, to which E.C. WARREN noted it was included.

R. WARNE called for a motion to approve Miller & Company to prepare the ASF Application. *M. PIEDRA motioned and R.B. MOORE* seconded the motion. R. WARNE called for a vote. **VOTE: 3 in favor, 0 against, 0 abstain.** **Motion passed. Miller & Company will be awarded the contract to prepare the Alternative Site Framework Application.**

c. Budget Update

R. MEDINA arrived at the meeting.

E.C. WARREN presented the budget update. All contributions have been paid with the exception of The City of Calexico, who is paying their contributions in quarterly payments. A total of \$8,000 has been paid to ITC Diligence for consulting services to the month of October.

E.C. WARREN mentioned that she was invited to be a part of the advisory committee for the National Association of Foreign Trade Zones as a grantee member while attending the NAFTA Conference.

JPA members discussed the proposed budget amendment to manage the Foreign Trade Zone mentioned during the ASF consultant selection conversation. After reviewing the budget and current staff expenses, the JPA members reflected the fairness in the amendment. R.B. MOORE motioned to amend the budget to include an additional \$5,000 for County staff time associated with the Alternative Site Framework conversion to be entered under that line item of budget. R. WARNE seconded the motion. **Vote: 4 in favor, 0 against, 0 abstain** (County of Imperial was not present at the time of the vote). **Motion passed. Amend the budget to include an additional \$5,000 for County staff time associated with the ASF conversion.**

d. Potential Operator Update by David Harlow

i. My Distribution

D. HARLOW presented the pending application for My Distribution. The potential applicant is in the process of getting their business fiscally sound to manage the cost of the Operator's Agreement (\$5,000 and insurance requirements). They've estimated to be in a position to comply with the requirements to apply by January – February of next year.

D. HARLOW also presented JE Exports as a new company located south of Coppel off of Cole and Hwy 111. This company assists businesses to import perishable products into their facility. It is a bonded facility where they have USDA and FDA exams done on the products. They currently have two facilities in Calexico and are seeking to activate both facilities as well as another facility in Chula Vista. JE Exports is exploring the possibility of expanding into the meat

IMPERIAL VALLEY

FOREIGN TRADE ZONE

and general cargo industry. They are not currently located in the FTZ boundary and a minor boundary modification will be needed.

J. OSUNA requested a continued discussion of My Distribution and suggested the JPA permit My Distribution to make payments towards their \$5,000 Agreement Fee; however, this would be with the understanding that they would not be activated until the fee is paid in full. The Committee continued to discuss the feasibility of this suggestion. D. HARLOW noted that My Distribution is activated through U.S. Customs, but are unable to implement the program through the grantee. Thus, providing this payment plan as an option to My Distribution would have a positive impact.

A. HORNE arrived at the meeting.

The Committee continued discussing the feasibility/possibility of providing My Distribution with a payment plan option for the \$5,000 fee. D. HARLOW suggested they first get in compliance with the insurance and make a payment. Once they are in compliance and the Operator's Agreement has been executed, they will be able to benefit from the program while they continue to make payments. The Committee then continued to discuss whether My Distribution would be able to benefit while they are in the process of making payments or will not be able to benefit until they payment has been made in full. Ultimately, the Committee decided that offering the payment plan option would serve as a measure of good faith, but would not permit the implementation of the program until the payment was made in full and the insurance is in compliance. City of Calexico (R. WARNE\J. OSUNA) motioned to extend an agreement to My Distribution Center to pay, within a six (6) month period, the \$5,000 and become compliant with the insurance. R. MEDINA seconded the motion. **Vote: 5 in favor, 0 against, 0 abstain. Motion passed. Extend an agreement to My Distribution Center to pay, within a six (6) month period, the \$5,000 and become compliant with the insurance.**

e. Marketing Update

D. HARLOW presented the marketing update.

f. Operator's agreement extension and other issues:

E.C. WARREN presented the Operator's Agreements.

i. Coppel

The County is currently in the process of developing an extension with Coppel for their FTZ Operator's Agreement. After a short discussion, it was requested by the Committee to add the agreement to the next meeting agenda.

ii. Margarita Pimentel

IMPERIAL VALLEY

FOREIGN TRADE ZONE

The Committee discussed the communication problems with Pimentel. M. PIEDRA motioned, after checking the time frame in the agreement, to send a letter to Pimentel noting they will need to pay within the agreed timeframe or (the JPA will be obligated to terminate their agreement). R. MEDINA seconded the motion. **Vote: 5 in favor, 0 against, 0 abstain. Motion passed. Send a letter to Pimentel noting they will need to pay within the agreed timeframe or (the JPA will be obligated to terminate their agreement).**

III. Future agenda items and other business

The committee noted the following items to be added in the next agenda: 1) presentation for the new potential operator, J.E. Exports, needs to be added, 2) Operator's Agreements for Coppel and Pimentel, 3) payment plan agreement for My Distribution Center, 4) contract with Miller & Co. for services to prepare the ASF application, and 5) Revised FTZ budget.

IV. Next meeting date

- a. February 05, 2015 at 3:00 in Brawley.

V. Meeting adjourned

- a. Meeting was adjourned at 3:57 p.m.