



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 20, 2018 2:00 PM
City of Calexico, City Hall
608 Heber Avenue, Calexico, CA 92231

PROCEEDINGS

A meeting of the Imperial Valley Foreign Trade Zone – Joint Powers Authority (IVFTZ-JPA) was held on November 20, 2018, at 2:00 p.m. at the City of Calexico, City Hall located at 608 Heber Avenue, Calexico, CA 92231.

ATTENDEES

JPA Members

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

Primary

Miguel Figueroa
Romualdo Medina

Nick Wells

Alternate

Adriana Nava

Andy Horne

Consultants

ITC Diligence

David Harlow

Coordinating Staff

I.C. County Executive Office
I.C. Community & Econ. Development
I.C. Community & Econ. Development

Esperanza Colio Warren
Jade Padilla
Jonathan Garcia

Other Invites

R.L. Jones
R.L. Jones
OMG Freight Forwarders
City of El Centro

Oscar Sanchez
Hector Gracia
Eduardo Medina
Stacy Cox



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MINUTES

I. Call meeting to order

- a. Roll call.

Meeting was called to order by Andy Horne at 2:20 p.m. Roll call was performed by Jonathan Garcia with five (5) JPA members present; it was determined that quorum was met.

- b. Approval of 11/20/2018 minutes.

NICK WELLS motioned to approve minutes as presented, MIGUEL FIGUEROA 2nd. **Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

II. Discussion/action

- a. Approval of Amended IVFTZ #257 FY 18-19 Budget with Policy.

J. PADILLA presented the modifications made to the Budget as per the Board's request. The first item modified was the Contingency section with \$10,000 dollars being set aside for Contingency this fiscal year; leaving a Year End Balance of \$8,295. The next modification was the Original Member Balance and policy. The Original Membership Balance reflects the FY 17-18 remainder after applying 50% of the original membership fees due per previous Board determination; leaving a balance of \$31,105.25. The new policy states that the amount will be divided equally based on percentage for membership fees among the original members: City of Brawley, City of Calexico, City of Calipatria, City of El Centro, and County of Imperial. The policy also allows the members to utilize the available funding for expenses other than membership fees so long as all original members agree to the funding use. Following a question from A. HORNE, clarification was given for the Notes and Policies identified on the budget. E. COLIO WARREN emphasized that all cities are paying half of their contribution now; however, the City of Holtville will be paying the full amount as they are the newest member. A request was made from A. HORNE to specify that the policy be approved with the noted language. J. PADILLA stated that the policy established that funding will be available until it has been completely depleted. A. HORNE motioned to approve the budget with the changes from last meeting and updated policy: "The remaining balance from FY 17-18 contributed by the original FTZ members, as mentioned in Note #3, shall be used as credits for membership fees of the original members. Said credits will be distributed equally among the original members by percentage. However, funding from the Original Member Balance may be used as needed so long as all the original members approve and agree upon the fund usage. These funds will be available until the balance is depleted." ROM MEDINA 2nd the motion. **Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**



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b. Presentation of IVFTZ Marketing Plan by David Harlow.

D. HARLOW went over the marketing plan requested by the Board to present new strategies, create awareness, and market the plan in the Imperial Valley. Mr. HARLOW met with each city to best strategize the marketing plan. Most of the strategies requested involve social media, website, onsite visits, and workshops to attract businesses. Onsite visits will be taking place a minimum of twice a month, based on demand and necessities. D. HARLOW emphasized that the marketing plan does not incur additional costs to the Cities or the County as it is all-inclusive in the services that ITC. Diligence provides. Following a question presented by M. FIGUEROA, Mr. HARLOW noted that the goal is to work individually with the cities and intervals with the Board to discuss what is and is not working to adjust the marketing plan accordingly. D. HARLOW mentioned that the period to implement the marketing strategy would be within one to three months. E. COLIO WARREN recommended, if the Board were to approve the marketing plan, that language be included to note expenses for workshops (location, refreshments, etc.) would be a separate cost to be approved by the Board. A. HORNE would like to have a report in 60 or 90 days with updates and feedback of how many people were contacted, progress reports, and activities taking place to determine if the plan is working or not.

c. Presentation of OMG Freight Forwarders by Eduardo Medina.

EDUARDO MEDINA mentioned that he is interested in being an Imperial Valley Foreign Trade Zone operator. OMG Freight Forwarders have a warehouse located at the East Port area of Calexico. After expressing some confusion regarding the "pre-approved" status, E. COLIO WARREN clarified that sites are available, but the business will still need to go through a process in order to become an FTZ operator. E. COLIO WARREN proceeded to inform Mr. MEDINA with the procedures and necessities required to move forward with this process. Mr. MEDINA then continued in describing the business operations of OMG Freight Forwarders. OMG Freight Forwarders imports and exports goods from or to Mexico; primarily alcoholic beverages. D. HARLOW inquired about previous FTZ experience, to which Mr. MEDINA replied his experience is with bonded warehouses only. E. COLIO WARREN suggested that Mr. MEDINA meet with Mr. HARLOW to go through the process and advised that D. HARLOW provide a forecast of whether or not FTZ is financially feasible for OMG Freight Forwarders. D. HARLOW noted a cost analysis could be done and assist with a savings analysis for marketing and outreach. Mr. HARLOW continued to provide Mr. MEDINA with the services and means in which he may be able to assist OMG Freight Forwarders with the process. Mr. MEDINA noted he would be submitting a letter of intent to commence with the understanding that the process will take approximately 6 months. D. HARLOW mentioned it may take 90 days; but with the high volume in demand, it may take longer. E. COLIO WARREN suggested the Board meet the following month for the Board to accept the letter of intent to begin the process of becoming an FTZ operator. Mr. HARLOW mentioned that the process also includes insuring that the potential operator is in compliance with county and city standards.



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d. Presentation of RL Jones by Hector Gracia.

HECTOR GRACIA mentioned that RL Jones already submitted a letter of intent to become a Foreign Trade Zone operator. H. GRACIA gave a presentation of the goods and services that RL Jones has to offer worldwide. RL Jones is a full service brokerage firm and the only US broker certified ISO in the Imperial Valley. Mr. GRACIA noted RL Jones has a bonded warehouse that they are trying to capitalize with the FTZ; intending to benefit from the competitive advantage with the duty rates in the industry. Following the presentation, D. HARLOW mentioned he has already been in contact with RL Jones regarding the cost analysis. The Board made additional inquiries regarding the business operations of RL Jones.

ANDY HORNE asked RL Jones and OMG Freight Forwards how they learned of IVFTZ. RL Jones mentioned they had known D. HARLOW and was given information. OMG Freight Forwards replied they conducted internet research on IVFTZ. ADRIANA NAVA inquired if there was any material regarding activation steps available for FTZ that could be provided to potential businesses. Additionally, A. NAVA mentioned the need to the material to be in Spanish as well. DAVID HARLOW will provide a flowchart for FTZ which outlines the general process of activation.

III. Future agenda items and other business

M. FIGUEROA, on behalf of the Board, directed County staff to proceed with the future agenda items within the next 3 – 4 weeks.

- i. Approve proceeding with OMG Freight Forwarders to begin the process of becoming an FTZ operator upon receipt of the letter of intent.
- ii. Approve proceeding with RL Jones to begin the process of becoming an FTZ operator.
- iii. Review flowchart for IVFTZ general process from David Harlow.

IV. Next meeting date

TBD

V. Meeting adjourned

- a. Meeting adjourned at 3:15 p.m.