



# IMPERIAL VALLEY FOREIGN TRADE ZONE

IMPERIAL COUNTY WORKFORCE AND ECONOMIC DEVELOPMENT • 2799 S. Fourth Street, El Centro, CA, 92243

## MEETING MINUTES

Thursday, March 5, 2020 @ 10:00 A.M.  
Brawley City Council Chambers  
383 Main Street, Brawley, CA 92227

## PROCEEDINGS

A meeting of the Imperial Valley Foreign Trade Zone – Joint Powers Authority (IVFTZ-JPA) was held on March 5, 2020 @ 10:00 A.M. at the Brawley City Council Chambers located on 383 Main Street, Brawley, CA 92227.

## ATTENDEES

### *JPA Members*

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

### *Primary*

Rosanna B. Moore  
  
Romualdo Medina  
Adriana Nava  
Nick Wells  
Esperanza Colio Warren

### *Alternate*

### *Consultants*

(None)

### *Coordinating Staff*

I.C. Workforce & Economic Development  
I.C. Workforce & Economic Development

Jade Padilla  
Emily Estrada

### *Other Invites*

None



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## MINUTES

### *I. Call meeting to order*

- a. Roll call.

Meeting was called to order by Romualdo Medina at 10:16 A.M. Roll call was performed by Jade Padilla with five (5) JPA members present; it was determined that quorum was met.

- b. Approval of 12/03/2019 minutes.

NICK WELLS motioned to approve minutes as presented; ROMUALDO MEDINA 2<sup>nd</sup>.  
**Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

### **II. Discussion/direction/action/update**

- a. Discussion/Action regarding approval of the consultant chosen by the selection committee from the Request for Qualifications (RFQ) for Foreign Trade Zone Consulting Services.

J. Padilla provides that Vanessa Caldera is no longer serving as coordinating staff for FTZ and had previously mentioned the Request for Qualifications (RFQ) for Consulting Services resulted in IMS scoring the highest among the submitted proposals. Ms. Padilla also mentions that it was communicated to FTZ staff that, while IMS was the selected firm to provide consulting services, there was discussion among IVFTZ-JPA members to select IVEDC to provide the marketing component for FTZ.

E.C. Warren does not recall receiving such information and consulted with IVFTZ-JPA members that attended the last meeting; noting the decision to extend David Harlow's contract to complete the Annual Report for the IVFTZ-JPA. J. Padilla presents her recent discussion with Mr. Harlow in which he mentioned he can provide consulting services to assist in the preparation of the Annual Report for the flat fee of \$300. At this time, all JPA members present at the meeting were in agreement to proceed with ITC Diligence to prepare the Annual Report, but had some questions regarding the budget. J. Padilla also mentions that there currently is not an approved budget set in place, but there are contingency funds that have been added to the ongoing budget. E.C. Warren recommends ratifying the expense for Mr. Harlow to provide consulting services for the preparation of the Annual Report and presenting this action in the next IVFTZ-JPA meeting.

R.B. Moore provided clarification that the review committee for the RFQ only discussed that the marketing component was significant and noting the marketing in presented in the IVEDC proposal, but she does not recall the decision for IVEDC to provide marketing services. J. Padilla notes that there may have been some miscommunication in regards to



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the information that was relayed to FTZ staff on the discussion and decision made toward the (RFQ) for FTZ Consulting Services. Ms. Padilla mentions that there were concerns over this matter that are now irrelevant and the FTZ-JPA members can move forward with this clarification to discuss the selected consultant. Upon request, J. Padilla presented a brief overview of selected consultant, IMS Worldwide Inc.; noting the proposal provided unclear language on their services, particularly using language that included the consultant assisting in preparing and providing drafted samples and documents. Ms. Padilla suggests that the FTZ-JPA members conduct an interview with the selected consultant to receive clarification on services that are guaranteed from the consultant. J. Padilla also provided that the consultant noted a \$2,250 fee for monthly cost of services and \$2,250 initial payment to sign the agreement for the consulting services. R.B. Moore explains that the RFQ process may allow the ability to negotiate the billing strategy and scope of work provided by the selected consultant. R.B. Moore suggests that IVFTZ staff receive clarification on the scope of work and fee structure of the selected consultant, negotiate an arrangement that corresponds with the types of agreements that the IVFTZ-JPA has previously entered, and prepare a draft agreement for the review of the IVFTZ-JPA members. R.B. Moore and E.C. Warren provide that if the selected consultant, IMS, is not willing to negotiate or clarify the condition of the terms of contract for consulting services then the FTZ staff can move forward in discussing the conditions set forth by the next ranked proposer selected for the (RFQ) for FTZ Consulting Services. A. Nava mentions that the interview with IMS can be conducted through a teleconference. Direction was given to negotiate with the first ranked consultant; if negotiations were not be able to be met and clarification of terms not given, then try negotiations with the second firm. Once ICWED decides as staff which consultants works better for FTZ, come back to the JPA with a draft contract. J. Padilla requested that if any of the JPA members had any questions after reviewing the proposal, they submit them so that they can be asked during the teleconference interview.

R.B. Moore motions to accept the ranking of the proposed consultants and direct FTZ staff to follow up with the selected consultant to negotiate scope of work and fee structure. E.C. Warren 2<sup>nd</sup> the motion. **Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

- b. Discussion/Action regarding selecting a chair and vice chair of the IVFTZ-JPA and membership forms.

J. Padilla brings forth the discussion/action item for members of the IVFTZ-JPA to select a new chair and vice chair of the IVFTZ-JPA. J. Padilla provides that the Chair of the IVFTZ-JPA is currently the City of Calexico. E.C. Warren began with nominating the City of El Centro for JPA Chair. After some discussion, A. Nava accepted the nomination on behalf of the City of El Centro. R. Medina nominated the City of Holtville for Vice-Chair, to which N. Wells accepted. The members had a brief discussion of the motion for nominations. Motion by County of Imperial to nominate the City of El Centro as chair



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and the City of Holtville as vice chair of the IVFTZ-JPA. The City of Brawley 2<sup>nd</sup> the motion. **Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

J. Padilla also mentions that not all members have submitted required annual membership forms and these need to be turned in to confirm the primary and alternate members for the fiscal year.

c. Discussion/Action regarding NAFTAZ Membership(s)

J. Padilla presents that the IVFTZ-JPA currently funds one membership under the NAFTAZ, which has been for E.C. Warren's previous role as the grantee organizer of the IVFTZ. J. Padilla provides that Mrs. Warren has changed roles as she now serves as the JPA representative for the County of Imperial. Ms. Padilla asks members if it is necessary to change the membership to Priscilla Lopez, Imperial County Workforce and Economic Development Director, as she now serves the role of grantee representative of the IVFTZ. The JPA is also asked if members are interested in obtaining additional memberships. J. Padilla provides that the current NAFTAZ membership is \$1,250 and any additional membership fees are \$350. A. Nava asks if there are any benefits to adding additional memberships, to which J. Padilla provides that there are discounted rates on conferences and trainings that the IVFTZ-JPA may decide to attend. E.C. Warren provides that in the past, when trainings are closer, additional memberships had been purchased to get their attendance discounted. She continues to mention members have access to online training on FTZ matters that may be helpful to the members that are interested in attending trainings and conferences. The JPA members continued to weigh their decision based on the likelihood of attending conferences in distant locations and past attendance and conferences. R.B. Moore stated that additional memberships might not be necessary, as the IVFTZ has not currently been as active. The IVFTZ-JPA discussed and gave direction to designate the NAFTAZ membership to Priscilla Lopez as the grantee representative and not to obtain any additional memberships.

d. Discussion/Action for staff to attend the NAFTAZ Spring Conference and Grantee Training.

J. Padilla brings forth the invitation from the Foreign Trade Zone Board to attend the grantee training, which was immediately following the NAFTAZ Spring Conference. The grantee training was highlighted as needed by staff due to the recent regime change in the grantee office and benefits of knowledge to be gained. As there was some mention between the JPA members regarding the location, E.C. Warren asks if both the conference and training were in Minnesota. J. Padilla confirms this information and notes the training is to follow the end of the conference that same day. After questions regarding the duration of the conference, it was pointed out that this is the semi-annual conference and the annual conference may be longer and more thorough. Based on her experience, E.C. Warren notes the Spring conference does not have as much to offer for the expense and it



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would be better to wait for the annual conference as it offers more workshops in different areas. The JPA then discussed the location and benefits of the annual conference, which they later noted was to be held in Colorado. A. Nava asks if there is any urgency for staff to get this training, to which E.C. Warren states there is no urgency as we only have one company pending activation. Mrs. Warren notes that, upon NAFTAZ membership, Priscilla Lopez will have access to training and recommends they be shared with the staff. The JPA agreed that the expense of the conference and training in Minneapolis was excessive for the amount of business they currently have and opted not to participate in the NAFTAZ Spring Conference or grantee training.

e. Approval of the IVFTZ #257 FY 19-20 Budget.

J. Padilla presented the proposed fiscal year 2019-2020 budget noting it was drafted based on the previous fiscal year budget. Additionally, she addressed the original member contribution and added line item to address the transaction. Clarification was provided on which members were receiving 50% membership fees. R.B. Moore inquired as to why the adoption of the budget is so late to which staff could not provide an explanation. The JPA and staff then began discussing the delay in meetings as well as implementing a timed schedule for beginning the budget process. E.C. Warren mentions going forward to begin taking the budget to the JPA before May for a continuous process prior to approval. R.B. Moore motioned to adopt the budget with timely preparation for 2021. Clarification was provided to the City of Holtville regarding fees due for the current and previous year. Clarification was also provided that the budget already included the 50% membership fee contribution. JPA members agreed to continue the original membership balance to be used as membership contribution it provides financial relief. E.C. Warren suggested waiving the fees for this year, so there would be less of a carryover balance. After a short discussion, it was ultimately determined that this would not be beneficial for the cities. R.B. more noted back to her previous motion to adopt the budget with timely preparation for 2021. N. Well 2<sup>nd</sup> the motion. **Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

f. Discussion regarding County/City insurance policy language required by County Council.

J. Padilla notes that the Imperial County, County Council has previously requested insurance policy language from each JPA member in order to ensure all members are insured for decisions made on behalf of the JPA. Ms. Padilla notes receipt of insurance language from the City of Holtville. A. Nava mentioned that the City of El Centro submitted this information previously. J. Padilla mentions that, due to unfortunate events at the County, the previous email correspondence containing this information is no longer available and a printed version of the language did not appear to be available. A. Nava notes the information can be resent. E.C. Warren notes the County of Imperial language should already be obtained via email.



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g. Discussion regarding IVFTZ-JPA By-Laws.

J. Padilla notes that the current By-Laws were approved in 2014. It was presented that over the years there have been changes to the Foreign Trade Zone, including the switch to an Alternative Site Framework (ASF) and inclusion of the City of Holtville as a member. The current By-Laws are contradicting the manner in which the IVFTZ-JPA is operating and, therefore, must be changed. Some of the notations included the number of JPA members, IVFTZ staff office name, contribution, and JPA officer positions.

E.C. Warren noted the issue is that the existing By-Laws are based on acreage that are no longer there through the ASF format. Therefore, we need to refer to the ITC chart that was previously used. However, there is conflict as the City of Imperial and Westmorland are noted as participants and their contributions will need to be subtracted. R.B. Moore also mentions that there needs to be a method in place in case they decide to join in the future. E. C. Warren notes language needs to be provided so that if and when another city joins in the future to determine an entrance fee and a regular fee. R. Medina recalled that the JPA had previously discussed using a consistent amount as they did for the City of Holtville to become a member and allow the other entities in under the same formula. The JPA discussed the ASF contribution plans for all cities. Staff was requested to bring a draft to the next meeting and work with County Counsel to redraft the By-Laws.

R.B. Moore asked if we needed a secretary (in reference to the officer position mentioned in the By-Laws). The JPA members were in agreement that County staff acts as the Secretary and, thus, the secretary can be eliminated as an elected position.

R.B. Moore asks if it would be useful if we include a month for budgeting adoption annually. The JPA members agreed to set-up April for budgets adoption.

Adriana Nava requested discuss the acreage as she was not present for those determinations. E.C. Warren and R.B. Moore provided a background of the original FTZ structure and the ASF structure as well as the benefits. After hearing the background and getting clarification, N. Wells notes that the distribution by acreage needs to be stricken from the By-Laws. E.C. Warren and R.B. Moore confirm and note that a new model (for fees) will need to be identified. N. Wells suggests applying any of the debit costs used to set up the conversion to the ASF be prorated based on the share any carry a number on the books of what they would have had to pay.

h. Discussion regarding invitation for IVFTZ members to provide a presentation at the Governmental AICPA Meeting on May 4-5, 2020 in San Diego at the Hilton San Diego Bayfront.



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After looking at the backup documentation provided for the item. R.B. Moore asked if there was enough content to present the item; to which J. Padilla clarified that it was all the information available at the time. E. Estrada provided information to the JPA based on the correspondence with the Governmental AICPA. R.B. Moore clarified her question to the JPA members, asking if anyone had the experience or was available to give such a presentation. The JPA members then discussed possible presenters and past presentations done. It was determined that the IVFTZ is in the process of transitioning between consultants and are not in a position to give the presentation being requested at this time.

R. Medina asked if anyone thought the timeframe of getting a consultant might be done before the presentation or if this is too time constraining. After a brief discussion, the JPA decided that contracting a consultant by this time was not feasible and we would need to pay a consultant to do this presentation for us. Thus, the determination remained to thank the Governmental AICPA for the opportunity, but politely decline.

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

1. Answer the questions provided to the IVFTZ-JPA from Vertiv regarding the FTZ Operator Sample Agreement.

J. Padilla reintroduced the questions presented by Vertiv as they had previously been provided and we have yet to give any responses. It was noted that previous direction was to have a consultant respond and verify the information to be provided; however, there has been delay in contracting a new consultant. J. Padilla noted, out of all the comments made, some were internal and the others were pulled and placed on a separate sheet for us to provide responses. A. Nava asked for clarification if it was being requested for the current consultant to assist. E.C. Warren requested we ask ITC Diligence if he is available and how much the charges will be. It was discussed to do a short term contract for on-call services for a few months on an hourly basis. N. Wells clarified that during the last IVFTZ meeting the decision was not to proceed with a short term contract as the new consultant was presumed to be contracted the following month. A. Nava asked for clarification on how the correspondence was made and asked to be provided with the responses. J. Padilla noted staff will provide the responses in the next meeting package.

2. Coppel FTZ expansion application questions.

E.C. Warren presented Coppel's request for expansion and provided details of the expansion and IVFTZ guidelines. Mrs. Warren recommended to seek advisement from the Foreign Trade Zone Board on the best way to manage an expansion and see if there is a specific fee schedule. Once the information is received, it should be brought back to the IVFTZ-JPA. A. Nava asked if our fee schedule was posted on the website, to which E.C. Warren noted it should be and requested staff to check. Direction was given for staff to get direction from the Foreign Trade Zone Board and take the lead on this item.



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3. Visit from post-doctoral researcher undertaking a project on FTZs in the U.S.

J. Padilla presented the request from the researcher from Germany requesting to meet on March 11<sup>th</sup> to interview our office on FTZ in Imperial County. A brief discussion took place on who would be the best person to provide the researcher with information. E.C. Warren volunteered to attend this meeting. Encouragement was given to all JPA members to attend to gain more knowledge and provide input. It was suggested to try to schedule a special meeting.

#### **IV. Next meeting date**

TBD

Andrea Nava mentioned a previous discussion on having predetermined meeting dates. R.B. Moore mentioned that a date does not need to be in the By-Laws, but the JPA can adopt a calendar annually. The JPA members discussed options for meeting dates and ultimately determined to schedule every 3<sup>rd</sup> Wednesday of the month. J. Padilla noted staff can prepare a calendar for the remaining fiscal year and work on a calendar to be approved for fiscal year 20-21. A. Nava requested a schedule that can switch off locations and add in travel time for one hour ahead. R.B. Moore noted the fiscal year calendar can be adopted at the time of the budget. A. Nava suggested 9:30 for the meeting calendar.

#### **V. Meeting adjourned**

- a. Meeting adjourned at 11:24 p.m.