



# IMPERIAL VALLEY FOREIGN TRADE ZONE

Imperial County Community and Economic Development • 940 W. Main St. Suite #203, El Centro, CA 92243

## Meeting Agenda

Thursday, December 5, 2013, at 2:00 p.m.

City of El Centro Economic Development Department  
1249 W. Main St., El Centro, CA 92243

- I. Call meeting to order
  - a. Roll call
  - b. Approval of July 3, 2013, meeting minutes
- II. Discussion/Action
  - a. 2013 – 2014 proposed budget
  - b. Review draft of IVFTZ by-laws
  - c. County Counsel update on authorized signatory
  - d. Letter to ITC-Diligence, Inc., regarding contract renewal
- III. Presentation – David Harlow, ITC-Diligence, Inc.
  - a. Marketing plan
  - b. Alternative site framework
- IV. Public comments, reports and discussion items
- V. Future Agenda Items/Other business
- VI. Next meeting date
- VII. Meeting Adjourned



# IMPERIAL VALLEY FOREIGN TRADE ZONE

Imperial County Community & Economic Development • 940 W. Main Street, Ste. 203, El Centro, CA, 92243

## Meeting Minutes

Wednesday, July 3<sup>rd</sup> at 1:00 p.m.

### Proceedings

The Imperial Valley Foreign Trade Zone, Joint Powers Authority (IVFTZ-JPA) meeting was held on Wednesday, July 3<sup>rd</sup> at 1:00 p.m. at the Community Valley Bank, 310 Main Street Brawley, CA.

### Attendees

#### JPA Members

Andy Horne (alternate)	Imperial County Executive Office
Julia Osuna	City of Calexico
Rosanna Bayon Moore	City of Brawley
Marcela Piedra	City of El Centro
Rom Medina	City of Calipatria

#### Other Attendees

Esperanza Colio	Imperial County Community & Economic Development
Jennifer Clunn	Imperial County Community & Economic Development

- I. Call meeting to order
  - a. IVFTZ JPA meeting was called to order by Julia Osuna. Roll call was performed by Jennifer Clunn. Quorum was met.
  - b. Ms. Osuna opened discussion regarding approval of April 17, 2013 meeting minutes. Mr. Horne motioned to approve the April 17, 2013 minutes. Ms. Moore abstained from the vote because she was not at the last meeting.
  
- II. Discussion/Action
  - a. 2013 – 2014 proposed budget

Ms. Osuna opened discussion regarding the 2012-2013 budget and expenses. Ms. Piedra went line item through the budget and remaining expense to see what amount in the budget would be carried

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forward. It was agreed that an estimated amount of \$12,000 would be carried forward to the 2013-2014 budget.

Ms. Piedra inquired as to the membership fee. She stated the City of El Centro budgeted the same amount as last year for membership dues.

Ms. Colio brought up the Contingencies and stated that the proposed budget for 2013-2014 had contingencies estimated at \$17,853.01.

Mr. Medina asked that the budget be reviewed and at the next meeting we look at reducing the membership dues with part of the Contingencies. Ms. Moore stated that a normal contingency is 15% of the operating budget and once the budget is final the excess in the contingency fund can be used reduced the membership dues.

Ms. Colio requested the board to approve the IVFTZ to operate without a budget. Mr. Horne stated that we could adopt a draft budget and at the next meeting approve the final budget.

Ms. Piedra asked to revisit the Marketing Plan and asked that the contingency fund to remain the same and the next year we can look at reducing the membership fees. Stated that she will bring back a budget with a 15% contingency set aside at the next meeting.

Ms. Moore motioned to adopt a draft giving direction that the revised budget come back at the next meeting with a 15% contingency set aside. Mr. Horne seconded the motion. All were in favor of the motion none opposed.

Ms. Colio stated in the packet there were photos of Imperial County Community and Economic Development's (ICCED) website. Ms. Colio stated the website has a page exclusively for IVFTZ. Ms. Piedra stated that IVFTZ page should have pictures of the FTZ sites.

### b. ITC Consultants Contract/David Harlow

Ms. Colio stated the original contract in 2011 was approve with the consultant amount of \$34,000 per year and in 2012 the contracted amount was reduced to \$24,000 per year. Ms. Colio opened discussion regarding ITC Consultants Contract. Mr. Horne stated we need to prepare a letter from IVFTZ to ITC-Diligence, Inc. to extend the contract for one year ending May 31, 2014. Mr. Horne motioned to prepare and execute a contract extension letter similar to the one date April 30, 2012. Ms. Bayon seconded the motion with a consideration for a start date of June 1, 2013. All were in favor and none opposed.

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Mr. Horne inquired as to the term of the contract for ITC-Diligence, Inc. He inquired if the contract could extend more than one year. Mr. Horne stated that IVFTZ should continue with the one year contract and next year look at extending the term of the contract.

### III. Discussion/Action – Potential Activations

- a. Oasis Growth Partner, LLC – site plans/David Harlow, ITC Consultants  
Ms. Osuna gave the floor to Summer Strange from ITC-Diligence, Inc. Summer stated that Mr. Chiu is interested in moving forward with the activation. Mr. Chiu has encountered problems with his investors and is requesting a letter from the board. Ms. Osuna requested clarification on what the letter was to address. Ms. Strange stated that the letter was to address the FTZ site and the fact that other FTZ sites have office building located on site. Ms. Osuna advised Ms. Strange the board will not provide Mr. Chiu a letter at this time because the board does not know what Mr. Chiu's project is. The board is asking Mr. Chiu to identify the location of the property he wants to utilize. Ms. Osuna is also requesting Mr. Chiu to come to a meeting and present his project, send a representative or send a written project description.

Mr. Horne stated the board could at a minimum provide Mr. Chiu with a letter stating the property is within the FTZ. Ms. Strange stated the site that Mr. Chiu wants to utilize is partially in the FTZ site. A Minor Boundary Modification would be needed for Mr. Chiu's property; the City of Calexico would process the Minor Boundary Modification. Ms. Osuna advised that a Minor Boundary Modification is a simple process to complete.

Ms. Piedra inquired as to why Oasis Growth Partner, LLC and Mr. Chiu are back on the agenda if we are not moving forward at this point. Ms. Osuna advised Ms. Strange that we will not put Oasis Growth Partner, LLC on the agenda until Mr. Chiu has presented his project in front of the board.

### IV. Update

- a. IVFTZ JPA Bylaws

Ms. Colio presented the draft IVFTZ JPA Bylaws to the board and opened up discussion. Mr. Horne stated there should be another article addressing the member contributions and how the contributions

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are calculated. Mr. Horne also stated that there should be a section regarding contracting with consultants under articles four.

Ms. Piedra inquired as to who has the authority to sign contracts. She stated that executive director should be addressed in the by-laws and she requested Mr. Cordova to be the executive director.

Ms. Piedra asked that we posse the question to County Counsel as to who should have authority to sign contracts.

b. MyDistribution Center

Ms. Strange advised the board that MyDistribution Center has been approved and are pending back ground investigation. She advised the back ground check could take from six months to a year.

c. Operator's Agreement w/ changes from County Counsel

Ms. Piedra inquired as to why these changes are now being made. Ms Colio stated last year when she attended the NAFTAZ, a recommendation was made to revise the operator's agreement that each entity has to decrease the liability.

Ms. Piedra inquired who verifies the operator's insurance and who is named Additional Insured. Ms. Colio stated the operator's send a Certificate of Insurance to ICCED and IVFTZ - JPA is named additional insured. Ms. Piedra inquired as to who verifies the bond each operator obtains. Ms. Colio stated ICCED receives a copy of the bond and maintains the records.

V. Public comments, reports and discussion items

Ms. Colio stated at the last NAFTAZ conference an Alternative Site Frame Work plan was presented. An amount of acreage is put aside into a "bank" and to avoid the process of Minor Boundary Modification. Ms. Strange stated that there is a cost with the becoming an Alternative Site Frame Work and a lengthy application.

VI. Future Agenda Items/Other business

Budget, by-laws, Operator's agreement, Marketing plan with David Harlow, Alternative Site Frame Work

VII. Next meeting date

# **IMPERIAL VALLEY FOREIGN TRADE ZONE**

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Wednesday, August 28, 2103 at 3:00 p.m.

VIII. Meeting Adjourned

Meeting was adjourned at 2:42 p.m.

# Imperial Valley Foreign Trade Zone

Proposed Budget FY: 2013-2014

(Full Contribution)

<b>ESTIMATED BALANCE FROM 2012-13</b>		<b>\$ 20,049.01</b>
<b>REVENUE</b>		
<b>Membership dues</b>		
County of Imperial	\$ 17,466.85	
City of Brawley	\$ 1,784.18	
City of Calexico	\$ 11,197.40	
City of Calipatria	\$ 2,416.54	
City of El Centro	\$ 12,304.04	
Estimated Interest Earned	\$ 150.00	\$ 45,319.01
<b>Anticipated Renewal Fee</b>		
Pimentel Group	\$ 5,000.00	
Coppel, Inc	\$ 5,000.00	\$ 10,000.00
<b>Total Balance and Revenue</b>		<b>\$ 75,368.02</b>
<b>OPERATING EXPENSES</b>		
<b>Dues, Memberships &amp; Subscriptions</b>		
NAFTZ (1)	\$ 1,200.00	
SCFTZ (2)	\$ -	
Sponsorship	\$ -	\$ 1,200.00
<b>Consultant Fee</b>		
ITC (annual fee)	\$ 24,000.00	
Fee paid previous FY 2012-13	\$0	\$ 24,000.00
<b>Travel Expenses</b>		
NAFTZ Spring Seminar, Registration fee	\$ 475.00	
NAFTZ Spring Seminar, Hotel/meal/mileage	\$ 1,250.00	
NAFTZ Annual Seminar, Registration fee	\$ 1,300.00	
NAFTZ Annual Seminar, Hotel/meal/mileage	\$ 1,250.00	\$ 4,275.00
<b>Office Expenses</b>		
Postage	\$ 100.00	
Newspaper Publications/ Legal	\$ -	
Office Supplies	\$ 500.00	\$ 600.00
<b>Salaries</b>		
Accounting	\$ 471.00	
Clerical Assistant	\$ 587.00	
Coordinators & Manager	\$ 10,942.00	\$ 12,000.00
<b>Marketing</b>		
Flyers and other marketing materials	\$ 3,500.00	
IVFTZ website share (Note #1)	\$ 175.00	
Workshops, Expo and Shows	\$ 5,000.00	\$ 8,675.00
<b>Contingencies</b>		
2013-14 Budget	\$ 24,618.02	\$ 24,618.02
<b>Total Expenses</b>		<b>\$ 75,368.02</b>

**Notes:**

(1) Setup initiation fee \$ 824 plus annual fee \$ 175  
Revenue will increase if new activations get approved.

# Imperial Valley Foreign Trade Zone

Proposed Budget FY: 2013-2014

(2/3 Contribution Option)

<b>ESTIMATED BALANCE FROM 2012-13</b>				<b>\$ 20,049.01</b>
<b>REVENUE</b>				
<b>Membership dues</b>				
County of Imperial	\$	11,644.57		
City of Brawley	\$	1,189.45		
City of Calexico	\$	7,464.93		
City of Calipatria	\$	1,611.03		
City of El Centro	\$	8,202.69		
Estimated Interest Earned	\$	<u>150.00</u>	<b>\$</b>	<b>30,262.67</b>
 <b>Anticipated Renewal Fee</b>				
Pimentel Group	\$	5,000.00		
Coppel, Inc	\$	<u>5,000.00</u>	<b>\$</b>	<b>10,000.00</b>
<b>Total Balance and Revenue</b>				<b><u>\$ 60,311.68</u></b>
 <b>OPERATING EXPENSES</b>				
<b>Dues, Memberships &amp; Subscriptions</b>				
NAFTZ (1)	\$	1,200.00		
SCFTZ (2)	\$	-		
Sponsorship	\$	<u>-</u>	<b>\$</b>	<b>1,200.00</b>
 <b>Consultant Fee</b>				
ITC (annual fee)	\$	24,000.00		
Fee paid previous FY 2012-13		<u>\$0</u>	<b>\$</b>	<b>24,000.00</b>
 <b>Travel Expenses</b>				
NAFTZ Spring Seminar, Registration fee	\$	475.00		
NAFTZ Spring Seminar, Hotel/meal/mileage	\$	1,250.00		
NAFTZ Annual Seminar, Registration fee	\$	1,300.00		
NAFTZ Annual Seminar, Hotel/meal/mileage	\$	<u>1,250.00</u>	<b>\$</b>	<b>4,275.00</b>
 <b>Office Expenses</b>				
Postage	\$	100.00		
Newspaper Publications/ Legal	\$	-		
Office Supplies	\$	<u>500.00</u>	<b>\$</b>	<b>600.00</b>
 <b>Salaries</b>				
Accounting	\$	471.00		
Clerical Assistant	\$	587.00		
Coordinators & Manager	\$	<u>10,942.00</u>	<b>\$</b>	<b>12,000.00</b>
 <b>Marketing</b>				
Flyers and other marketing materials	\$	3,500.00		
IVFTZ website share (Note #1)	\$	175.00		
Workshops, Expo and Shows	\$	<u>5,000.00</u>	<b>\$</b>	<b>8,675.00</b>
 <b>Contingencies</b>				
2013-14 Budget	\$	<u>9,561.68</u>	<b>\$</b>	<b>9,561.68</b>
<b>Total Expenses</b>				<b><u>\$ 60,311.68</u></b>

**Notes:**

(1) Setup initiation fee \$ 824 plus annual fee \$ 175  
Revenue will increase if new activations get approved.



Imperial Valley Foreign-Trade Zone - Joint Powers Authority  
Foreign-Trade Zone #257

(IVFTZ-JPA)

**BY-LAWS**

**DRAFT**

## **ARTICLE I**

### **NAME OF ORGANIZATION**

The name of the organization shall be the Imperial Valley Foreign-Trade Zone - Joint Powers Authority, FTZ #257(IVFTZ –JPA, FTZ #257).

## **ARTICLE II**

### **AUTHORITY**

The authority for the creation and continuance of the Imperial Valley Foreign-Trade Zone - Joint Powers Authority is set forth in the provisions of the Foreign-Trade Zones (FTZ) Act (19 U.S.C. § 81a-81u). The Imperial Valley Foreign-Trade Zone – Joint Powers Authority is established by the County of Imperial Board of Supervisors in conformance with the FTZ Act.

## **ARTICLE III**

### **PURPOSE AND TASKS**

The FTZ Program was authorized by Congress in 1934, via the Foreign-Trade Zones Act (19 U.S.C. § 81a-81u), and is used to help encourage value-added activity at United States facilities competing with foreign alternatives by allowing delayed or reduced duty payments, as well as other savings, on foreign merchandise. A foreign-trade zone is a restricted-access site in, or adjacent to, a Customs port of entry. The purpose of the Imperial Valley Foreign-Trade Zone (IVFTZ) is to “expedite and encourage foreign commerce and other purposes.” Other purposes of the IVFTZ include:

- 3.1** Encouragement of commercial and industrial operations in the United States that would otherwise have been conducted abroad for customs reasons, including export activity;
- 3.2** Providing a special customs-related service to the business community, and giving them greater flexibility in the customs phase of their international competitiveness;
- 3.3** Helping to create employment, not simply divert it from one region of the country to another.

## **ARTICLE IV**

### **RESPONSIBILITIES**

The Imperial Valley Foreign-Trade Zone - Joint Powers Authority shall have the following responsibilities:

- 4.1** Review and evaluate foreign commerce within Imperial County;
- 4.2** Encourage various related activities undertaken locally to stimulate new foreign commerce, and provide permanent employment and growth opportunities in the County;
- 4.3** Provide information, data, and direction in order to activate businesses within the designated foreign-trade zone areas;
- 4.4** Enter into contracts with consulting firms and consultants, when necessary, to provide services for the fulfillment of the aforementioned responsibilities;
- 4.5** Conduct public meetings at prescribed places and times.

## **ARTICLE V**

### **AUTHORITY MEMBERSHIP**

The Imperial Valley Foreign-Trade Zone – Joint Powers Authority shall consist of no less than five (5) members. Each appointed member of the Authority shall serve unless terminated by resignation or removal by the appointing power of authority (City or County representative). Each primary member shall appoint and designate an alternate member, representative of the group of appointment, to represent him/her in his/her absence.

The appointing authority may remove a representative if the representative no longer retains the status under which he or she was originally appointed and qualified. Replacement of the member involved will be the responsibility of the original appointing authority within a thirty (30) day period.

- 5.1** The Authority shall consist of four (4) members, each individually representing a city (Brawley, Calexico, Calipatria, and El Centro), and one (1) member appointed by the County of Imperial, for a total of five (5) members.
- 5.2** Staff from Imperial County Community and Economic Development shall provide support to the Authority.
- 5.3** The Chairperson (as described in section 6.1) shall have the authority to appoint committees and sub-committees as he or she may deem necessary to accomplish the purpose, tasks, and responsibilities of the Authority.

## ARTICLE VI

### OFFICERS

The officers for the Authority shall be: one (1) Chairperson, one (1) Vice Chairperson, and one (1) Secretary, all of whom shall be elected from the membership of the IVFTZ-JPA. If a vacancy occurs amongst the officers of the Authority, immediate action shall be taken by the Authority at its next regular meeting to elect a replacement whom shall serve the remainder of the term of office.

- 6.1 The Chairperson shall preside at all meetings of the members, shall serve as Ex-officio member of IVFTZ-JPA, and shall have such other powers and duties.
- 6.2 In the absence or disability of the Chairperson, the Vice-Chairperson shall perform all of the duties of the Chairperson and shall, in so acting, have all of the powers of the Chairperson. The Vice-Chairperson shall have such other powers and duties from time to time.
- 6.3 In the absence or disability of the Chairperson and the Vice-Chairperson, the Secretary shall perform all of the duties of the Chairperson and shall, in so acting, have all of the powers of the Chairperson. The Secretary shall have such other powers and duties from time to time.

## ARTICLE VII

### MEMBER CONTRIBUTIONS

Each member local public agency (MLPA) shall contribute its "fair share" of all costs associated with the activation, operation, and management of the IVFTZ. "Fair share" contributions shall be calculated according to a percentage, determined by calculating the ratio of FTZ acreage within a MLPA's jurisdiction to the combined total of FTZ acreage for all member agencies. Should an MLPA alter its amount of FTZ acreage, either through boundary modification or expansion, all "fair share" percentages shall adjust accordingly.

- 7.1 The "fair share" percentages are as follows:

City of Brawley	3.95%	77.04 acres
City of Calexico	24.79%	483.36 acres
City of Calipatria	5.35%	104.39 acres
City of El Centro	27.24%	531.14 acres
County of Imperial	38.67%	757.00 acres
<b>Total</b>	<b>100.00%</b>	<b>1,952.93 acres</b>

- 7.2 In the event an MLPA requests services from an Authority consultant that will solely benefit the MLPA, all costs will be the sole financial responsibility of that MLPA. Examples of such services include, but are not limited to, boundary modifications, subzone applications, or manufacturing applications to the FTZ board.

## **ARTICLE VIII**

### **MEETINGS**

The Imperial Valley Foreign-Trade Zone – Joint Powers Authority shall meet bi-monthly, or as needed. In order to conduct a regular meeting, a “quorum” (as defined in Section 8.1) must be present. The Chairperson shall be obligated to provide seventy-two (72) hours notice on any special meeting he/she so directs. A majority of the current membership of the IVFTZ-JPA shall also have the authority to call a special meeting of the Authority, under the same circumstances as outlined above, to conduct business.

All meetings of the IVFTZ-JPA shall be conducted in accordance with the provisions of California Government Code Section 54950, et seq., known as the “Ralph M. Brown Act”. The conduct of the business portion of the meeting shall be in accordance with accepted parliamentary procedures as outlined in Robert’s Rules of Order Revised.

- 8.1** One-third (1/3) of the current active voting membership shall be necessary to constitute a “quorum” for the transaction of business, except to adjourn as hereinafter provided.
- 8.2** Every decision or act rendered by a majority of the IVFTZ-JPA present at a meeting duly held, at which a quorum is present, shall be regarded as an official resolution of the IVFTZ-JPA, unless a greater number be required by law.
- 8.3** A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members, insofar as any action taken must be approved by at least a majority of the required quorum for such meeting.

## **ARTICLE IX**

### **BY-LAWS AND AMENDMENTS**

Approval and adoption of by-laws shall be accomplished at a regular meeting of the IVFTZ-JPA. By-laws may be amended at any regular meeting of the IVFTZ-JPA; proposed amendments must be presented in writing to the Chairperson and reviewed by the IVFTZ-JPA prior to voting on for approval and adoption.

- 9.1** A vote of the majority of the current membership is required to adopt by-law articles.
- 9.2** Any proposed amendment(s) shall be subject to review prior to voting on for approval and adoption; a majority vote of the current membership is required to approve amendments.



# IMPERIAL VALLEY FOREIGN TRADE ZONE

Imperial County Community and Economic Development • 940 W. Main Street, Ste. 203, El Centro, CA, 92243  
(760) 482-4900 • Fax (760) 337-8907

June 1, 2013

David R. Harlow  
ITC-Diligence, Inc.  
P.O. Box 93157  
City of Industry, CA 91746

Dear Mr. Harlow:

The Imperial Valley Foreign Trade Zone-Joint Powers Authority (IVFTZ-JPA) and ITC-Diligence entered into an Agreement for Services dated June 1, 2009 ("Agreement"). Paragraph 6 of the Agreement provides that the agreement is for a one-year term and will be automatically renewed unless it is terminated in writing by either party 30 days prior to termination (Paragraph 12).

Through this letter, the IVFTZ-JPA offers to extend the term of the Agreement pursuant to Paragraph 6 for an additional one-year term from June 1, 2013 to May 31, 2014. All provisions of the Agreement shall remain. Monthly payments will remain the same in the amount of \$2,000 a month. If you agree with the extension of the terms of the Agreement, please sign and return.

If you have any questions regarding the matter, please feel free to contact 760-482-4900.

Sincerely,

Oscar Rodriquez,  
IVFTZ-JPA #257 Chairperson

I, David Harlow, agree to accept a one-year extension of the contract:

\_\_\_\_\_  
David Harlow  
ITC-Diligence, Inc.

\_\_\_\_\_  
Date

cc: Esperanza Malagon Colio, Economic Development Division Manager