



IMPERIAL VALLEY FOREIGN TRADE ZONE

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

MEETING AGENDA

Wednesday, May 30, 2018 @ 2:00 PM
City of Brawley EOC
351 Main Street, Brawley, CA 92227

I. Call meeting to order

- a. Roll call
- b. Approval of 04/04/18 Minutes

II. Discussion/action/update

- a. Resolution on IVFTZ operator collections effort – Pimentel Case.
- b. Discussion on My Distribution Center & Imperial Railport.
- c. IVFTZ Marketing Plan for Internal Promotion.
- d. Extension of ITC Inc. Consulting Services.
- e. Review IVFTZ Budget.

III. Future agenda items and other business

IV. Next meeting date

TBD

V. Meeting adjourned



IMPERIAL VALLEY FOREIGN TRADE ZONE

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

MEETING MINUTES

Wednesday, April 4, 2018 2:00 PM
Imperial County Planning and Development Department Conference Room
801 Main St. El Centro, CA. 92243

PROCEEDINGS

A meeting of the Imperial Valley Foreign Trade Zone – Joint Powers Authority (IVFTZ-JPA) was held on April 4, 2018 at 2:00 p.m. at the Imperial County Planning and Development Department conference room located at 801 Main St. El Centro, CA. 92243.

ATTENDEES

JPA Members

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

Primary

Rosanna Bayon Moore

Romualdo Medina

Alternate

Miguel Figueroa

Marcela Piedra
Andy Horne

Consultants

Coordinating Staff

I.C. Community & Econ. Development
I.C. Community & Econ. Development

Esperanza-Colio Warren
Jonathan Garcia

Other Invites

MINUTES

I. Call meeting to order

- a. Roll call.

Meeting was called to order by Miguel Figueroa at 2:04 p.m. Roll call was performed by Esperanza-Colio Warren with four (4) JPA members present; it was determined that quorum was



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met. Rosanna Moore and Romualdo Medina participated in the meeting via telephone, with the appropriate posting of the agenda of the meeting.

- b. Approval of 12/13/2017 minutes.

Miguel Figueroa motioned to approve minutes as presented, Andy Horne 2nd. **Vote:** 4 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

II. Discussion/action

- a. Update on IVFTZ operator collections effort – Pimentel Case.

A discussion regarding the delinquent account status of Margarita Pimentel FTZ Operators and numerous attempts to contact her regarding her fees and late report with the FTZ. A. HORNE recommended sending her a 30-day notice letter stating that her operator status will be terminated due to non-payment of fees. D. HARLOW mentioned she did not have any activity for the year of 2017. It was recommended sending her a letter regarding her delinquent status and failure to non-payment will result in cancellation of operator's agreement and inform US Customs regarding her status. A. HORNE motioned to send the letter to Ms. Pimentel giving her a 30-day notice to pay: 4 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

- b. Pending discussion from NAFTAZ annual conference experience.

A. HORNE emphasized that there were some members pending to share their experience from the NAFTAZ from the previous FTZ meeting. M. PIEDRA provided her feedback by talking about the sessions she attended, which focused on how to target and promote the FTZ. Members discussed what does the current FTZ has available and how is being promoted to the public. E. COLIO-WARREN suggested identifying companies, who are importing and exporting products. After identifying them, follow up with them via e-mail or telephone. Lastly, visit them and inquire if they are interested in being part of the FTZ. D. HARLOW recommended starting targeting agencies, providing seminars and/or presentations to promote the FTZ.

- c. Ratification of Foreign Trade Zone annual report.

D. HARLOW explained the annual report showed a beginning balance just over 1.5 million dollars in 2017, and there was over 150 million dollars worth of goods that came into the zone. Approximately, that same amount left the zone, leaving a balance of 1.1 million of dollars in the FTZ throughout the year. Coppel Corporation represented 113 million in goods activity, JE Exports 2 million in goods activity, My Distribution Center and Warehouse Bonded Services had no activity for the year of 2017. A. HORNE suggested discussing the status of My Distribution Center with the FTZ. M. FIGUEROA motioned to ratify the Foreign Trade Zone annual report, 1st by A. HORNE, 2nd by M. PIEDRA. Four (4) in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**



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d. Update/Action on IVFTZ #257 Budget

Budget was approved on previous meeting. The approved motion during the previous meeting stated to adopt the budget at its current contributions and expenses as reflected. This item will be discussed again for the next meeting.

III. Future agenda items and other business

- a. Resolution on IVFTZ operator collections effort – Pimentel Case.
- b. Discussion on My Distribution Center – Status on FTZ.
- c. IVFTZ Marketing Plan for Internal Promotion.

IV. Next meeting date

May 23, 2018

V. Meeting adjourned

- a. Meeting adjourned at 2: 56 p.m.

ITEM

A

Resolution on IVFTZ operator collections effort – Pimentel Case.



IMPERIAL VALLEY FOREIGN TRADE ZONE

Imperial County Community & Economic Development • 940 W. Main Street, Ste. 203, El Centro, CA, 92243
(442) 265-1100 • Fax (442) 265-1118

April 16, 2018

Margarita Pimentel
Pimentel Group
7577 Airway Rd. Suite 106
San Diego, CA. 92154

RE: 30 Day Notice - Operator Termination due to Non-Payment of Fees

Ms. Pimentel,


Upon review of your file, it has come to our attention that you are currently delinquent in the following element required by Imperial Valley Foreign Trade Zone (IVFTZ) #257 Operators:

- Fiscal Year 2017-18 Operator Fees in the amount of \$5,000.

Our records indicate that you have failed to meet the abovementioned requirement. Our office and associates have repeatedly attempted to contact you and your office by telephone, email, and mailing correspondence regarding your delinquent status; our efforts have been unsuccessful. Per the direction of the IVFTZ – JPA Board, failure to pay your delinquent fees within 30 days from the date of this letter will result in initiating the process of cancelling your operator's agreement with the IVFTZ #257. The initiation to cancel your operator's agreement will include notification to the U.S. Customs of your status to start your deactivation process with the IVFTZ # 257.

If you have any questions regarding this matter, please contact me at (442) 265-1100, or by email at esperanzacolio@co.imperial.ca.us. You may also contact Jonathan Garcia at (442) 265-1107, or by email at jonathangarcia@co.imperial.ca.us.

Thank you,


Esperanza Colio Warren,
Community & Economic Development Manager

CC IVFTZ Board members

ITEM

B

Discussion on My Distribution Center & Imperial Railport.



IMPERIAL VALLEY FOREIGN TRADE ZONE

Imperial County Community & Economic Development • 940 W. Main Street, Ste. 203, El Centro, CA, 92243
(442) 265-1100 • Fax (442) 265-1118

April 26, 2018

Frederick A. Mercurio
Storehouse Trading, Inc.
340 West Ralph Road
Imperial, California 92251

RE: Security Standards Required for CBP Bonded Facilities

Dear Mr. Mercurio,

This letter is in reference to the letter you received from CBP on November 25, 2016 regarding the security standards required for CBP Bonded Facilities. Upon review of your file, it has come to our attention that the facility is not in compliance for the following reasons:

- Facility is without proper lighting.
- Facility's building is made out of old thin sheet metal.
- Floor is in unsanitary conditions.
- Lack of cameras and alarm system.

Our office and associates are interested in knowing the actual status of your facility. The facility must meet the security standards required from CBP to be in compliance. Please be aware that it is imperative to address the aforementioned issues to be able to operate as a FTZ operator. Should you wish to operate under the IVFTZ umbrella, all the issues mentioned above must be addressed.

Furthermore, we would like to take this opportunity to invite you to our next Foreign Trade Zone meeting, which will be taking place on May 23, 2018 at 383 Main Street, Brawley CA, 92227.

If you have any questions regarding this matter, please contact me at (442) 265-1100, or by email at esperanzacolio@co.imperial.ca.us. You may also contact Jonathan Garcia at (442) 265-1107, or by email at jonathangarcia@co.imperial.ca.us.

Thank you,

Esperanza Colio Warren,
Community & Economic Development Manager

CC IVFTZ Board members

ITEM

C

IVFTZ Marketing Plan for Internal Promotion.



MARKETING PLAN

Summary:

The purpose of this Strategic Marketing Plan is to supplement the Grantee's responsibility to proactively promote and expand the Foreign Trade Zone Program within the Grantee's zone project. The promotion and marketing of the Foreign Trade Zone Program, and International Trade has many facets to consider. *Name Affiliation*- Providing knowledge and awareness of the Grantee, the Foreign Trade Zones Program, and outlining the benefits and advantages of becoming an FTZ will help in securing leads and prospective business. Communicating and promoting to target the various types of business owners in the area is critical to the success of FTZ marketing. This includes breaking up the facets (levels) of marketing to determine where the most effective and cost balanced campaign for FTZ attraction should be structured. *Local, State, National, and Global Marketing* has specific levels of accomplishments, timelines, and associated costs. Properly understanding these concepts along with their benefits and risks are vitally important when developing a marketing agenda to create local jobs and economic stimulation.

Name Affiliation:

The Foreign Trade Zone Program is typically geared towards International Trade Logistics Hub businesses that are savvy with the concepts of International Trade, Import/ Export, etc. One of the primary goals of the Grantee is to provide education to all local businesses. For more than five years Imperial Valley has grasped the natural resources attributed to its location. These resources include but are not limited to: a strategically located region that borders our largest trade partner, water supply, an alternative energy environment, and a strong/educated labor force. These resources have collaboratively been used to establish name affiliation with one of America's Gateways to Mexico for international trade. The FTZ program has created awareness locally; however, FTZ awareness is still murky Statewide, Nationally, and Globally. As this is a process, it is important that this name affiliation with Foreign Trade Zones becomes aggressive locally and is prioritized at minimum statewide and nationally. Efforts such as the Cali-Baja program and others are a great start--but just a start.

Local Marketing:

With marketing material and a logo for branding opportunities available, we can now utilize County and City data bases to identify business that can potentially benefit from the FTZ Program. Working with Chambers of Commerce and reaching out to neighbors in Mexicali is another inexpensive way to educate the business community. Partnering with other government programs such as the State Tax Incentive Program. CITD, SBDC, DOC, etc. are other inexpensive paths that will only require investment of time. I recommend a sub – committee to bring these local resources together to expand on these local opportunities. Additionally, meeting with local communities to develop strategies that are aligned with successful approaches to small, medium, and large business is vital to the effectiveness of marketing the FTZ Program. **Fiscal impact: minimal funding upon utilization of sponsorships and local government support. Fiscal Benefits: sustainable job retention and job creation.**

Conclusion:

There are many ways to properly market International Trade and the Foreign Trade Zone in Imperial Valley. The cost for the plans will vary due to the size of the scope, but as identified, it is not always spending the money but creating uniqueness that sets your region apart from the balance. This applies to local, state, national, and global awareness. As expressed in the talking points of the FTZ Program, thinking outside the box and using creativity will allow your return on your investment to be limitless. Understanding and utilizing your available resources to



ITC – DILIGENCE, INC.

implement a productive marketing plan that will accommodate multiple industries is vital to the success of this project for years to come.

ITEM

D

Extension of ITC Inc. Consulting Services.



IMPERIAL VALLEY FOREIGN TRADE ZONE

Imperial County Community & Economic Development • 940 W. Main Street, Ste. 203, El Centro, CA, 92243
(442) 265-1100 • Fax (442) 265-1118

May 30, 2018

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 stand for a one-year term and will automatically renew 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 to June 1, 2018 to May 31, 2019. 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 contact Esperanza Colio Warren, Imperial County FTZ #257 Zone Manager at esperanzacolio@co.imperial.ca.us or by phone at (442)265-1101.

Sincerely yours,

David Dale
IVFTZ-JPA #257 Chairperson

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

David R. Harlow
ITC-Diligence, Inc.

Date

ITEM E

Review IVFTZ Budget.

Imperial Valley Foreign Trade Zone

Proposed Budget FY: 2017-2018

July 1, 2017 - May 25 2018

	Budgeted 2017-2018	Actual R/E as of May 25, 2018	Pending Payments
BALANCE FROM 2016-17	\$ 44,136.53	\$ 44,136.53	
REVENUE			
Membership dues			
County of Imperial	\$ 17,466.85	\$ 17,466.85	\$ -
City of Brawley	\$ 1,784.18	\$ 1,784.18	\$ -
City of Calexico (Note #3 2016-17)	\$ 11,197.40	\$ 11,197.40	\$ -
City of Calexico	\$ 11,197.40		\$ 11,197.40
City of Calipatria	\$ 2,416.54	\$ 2,416.54	\$ -
City of El Centro	\$ 12,304.04	\$ 12,304.04	\$ -
Estimated Interest Earned	\$ 300.00	\$ 381.73	\$ (81.73)
	\$ 56,666.41	\$ 45,550.74	\$ 11,115.67
Anticipated Renewal Fee			
Pimentel Group (Note #3 2016-17)	\$ 2,500.00	\$ 2,500.00	
Pimentel Group	\$ 5,000.00		\$ 5,000.00
JE Exports	\$ 5,000.00	\$ 5,000.00	
Coppel, Inc	\$ 5,000.00	\$ 5,000.00	
Imperial RailPort	\$ 5,000.00	\$ -	\$ 5,000.00
My Distribution Center	\$ 5,000.00	\$ -	\$ 5,000.00
	\$ 27,500.00	\$ 12,500.00	\$ 15,000.00
Total Balance and Revenue	\$ 128,302.94	\$ 102,187.27	\$ 26,115.67
OPERATING EXPENSES			Remaining Expenses
Dues, Memberships & Subscriptions			
NAFTZ	\$ 3,900.00	\$ 2,650.00	\$ 1,250.00
SCFTZ	\$ -	\$ -	\$ -
Sponsorship	\$ -	\$ -	\$ -
	\$ 3,900.00	\$ 2,650.00	\$ 1,250.00
Consultant Fee			
ITC (annual fee)	\$ 24,000.00	\$ 20,000.00	\$ 4,000.00
Fee paid previous FY 2016-17	\$ 0	\$ -	\$ -
	\$ 24,000.00	\$ 20,000.00	\$ 4,000.00
Travel Expenses			
NAFTZ Annual Seminar, Registration fee (Note # 1)	\$ 2,775.00	\$ 3,925.00	\$ (1,150.00)
NAFTZ Annual Seminar, Hotel/meal/mileage	\$ 6,496.70	\$ 5,316.70	\$ 1,180.00
	\$ 9,271.70	\$ 9,241.70	\$ 30.00
Office Expenses			
Postage	\$ 120.00	\$ 17.58	\$ 102.42
Newspaper Publications/ Legal	\$ -	\$ -	\$ -
Office Supplies	\$ 680.00	\$ -	\$ 680.00
	\$ 800.00	\$ 17.58	\$ 782.42
Salaries			
Accounting	\$ 1,000.00	\$ -	\$ 1,000.00
Clerical Assistant	\$ 1,000.00	\$ -	\$ 1,000.00
Coordinators & Manager	\$ 11,000.00	\$ -	\$ 11,000.00
	\$ 13,000.00	\$ -	\$ 13,000.00
Marketing			
Flyers and other marketing materials	\$ 3,500.00	\$ -	\$ 3,500.00
IVFTZ website share (Note #2)	\$ 260.00	\$ 252.50	\$ 7.50
Workshops, Expo and Shows	\$ 5,000.00	\$ -	\$ 5,000.00
	\$ 8,760.00	\$ 252.50	\$ 8,507.50
ASF Conversion			
Consultant Fee	\$ -	\$ -	\$ -
County Staff	\$ 1,000.00	\$ -	\$ 1,000.00
Contingency	\$ 56,680.54	\$ -	\$ 56,680.54
	\$ 57,680.54	\$ -	\$ 57,680.54
Total Expenses	\$ 117,412.24	\$ 32,161.78	
		Actual Balance	\$ 70,025.49

Notes:

- (1) Based on one person attending conference.
- (2) Website annual fee \$260 approximately.
- (3) Late annual contribution (FY 16-17)