



**COMMISSIONERS COURT  
COMMUNICATION**

AGENDA DATE : 12/10/2012

CONSENT OR REGULAR: Consent

CONTRACT REFERENCE NO  
(IF APPLICABLE): \_\_\_\_\_

**SUBJECT:**

Authorized the County Judge to submit a letter of support on behalf of El Paso County to establish a subzone to Foreign Trade Zone No. 68 for two non-contiguous proposed subzone sites which are located in El Paso County, Texas at the following addresses: A. 1450 Pullman Drive, Suite 100, El Paso, Texas 79936 and B. 1313 Don Haskins Drive, El Paso, Texas 79936.

**BACKGROUND/DISCUSSION OF TOPIC:** To include statutory requirement, operational impact, or performance goal.

Inventory stored with a Foreign Trade Zone is exempt from being taxed via the Foreign Trade Zone Act. In addition, State law also allows this inventory to be tax exempt given the Free Port Exemption Law and the Goods in Transit Exemption. A zone currently exists, however the two companies mentioned are seeking to expand the current zone by creating a subzone which allows for companies to have a quicker operational start. FTZ's, including subzones increases El Paso's competitiveness in attracting businesses to locate and do business within El Paso as opposed to other border communities. Inventory stored in these facilities are moved quickly, usually within a day. New regulations require taxing entities to submit comments prior to the establishment of a subzone. FTZ's are not fairly common in El Paso with one application every 5-8 years. Previously the Commissioners Court or County Judge have supported FTZ's.

**FISCAL IMPACT:**

N/A

**PRIOR COMMISSIONERS COURT ACTION (IF ANY):**

N/A

**RECOMMENDATION:**

N/A

**COUNTY ATTORNEY APPROVAL**

The attached document has been given legal review by the El Paso County Attorney's Office on behalf of the County of El Paso, its officers, and employees. Said legal review should not be relied upon by any person or entity other than the County of El Paso, its officers, and employees.

COUNTY ATTORNEY:

LEGAL REVIEW:

LEGAL REVIEW NOTES (If Applicable):

DATE:

SUBMITTED BY: El Paso County Judge Veronica Escobar - (915) 546-2098.

December 10, 2012

Monica Lombrana, A.A.E.  
Director of Aviation  
6701 Convair Rd.  
El Paso, TX 79925

Re: Foreign Trade Zone Subzone Application

Dear Ms. Lombrana:

El Paso County would like to express its support for the Subzone Application to Foreign Trade Zone (FTZ) Number 68 to include two distribution centers for Expeditors Inc. located at 1450 Pullman, Suite 100 and 1313 Don Haskins Dr., El Paso, TX 79936. These facilities will be able to use a FTZ to improve their international competitiveness, while helping the growth of international trade in the region. The County is aware that imported inventory and inventory held in a foreign-trade zone for export will be exempt from local ad valorem taxes when the application is approved.

Once again, El Paso County is in support of the subzone application to include these properties. Should you have any questions or concerns please feel free to contact me at (915) 546-2098.

Sincerely,

Veronica Escobar  
El Paso County Judge

2012 OCT 24 AM 7:22

**RESOLUTION**

**WHEREAS**, the City of El Paso, as recipient of a grant of authority from the U.S. Foreign-Trade Zones Board, is authorized to establish, operate, and maintain Foreign-Trade Zone No. 68;

**WHEREAS**, the City of El Paso, by and through its Department of Aviation, owns, operates, maintains Foreign-Trade Zone No. 68 in order to expedite and encourage foreign commerce in the El Paso region;

**WHEREAS**, the City of El Paso desires to submit a request for a minor boundary modification to establish a Foreign-Trade Subzone on behalf of Expeditors International of Washington, Inc.;

**WHEREAS**, two (2) non-contiguous locations have been identified as proposed subzone sites which will be used primarily for warehouse and distribution operations;

**WHEREAS**, the City of El Paso would like this subzone application to be subject to the activation limit under the traditional site framework,

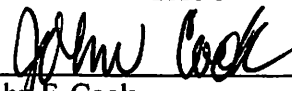
**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the Director of Aviation be authorized to submit a minor boundary modification application and all supporting documents and to coordinate with taxing entities for letters of support to establish a subzone to Foreign Trade Zone No. 68 for two (2) non-contiguous proposed subzone sites which are located in El Paso County, Texas at the following addresses:

- A. 1450 Pullman Drive, Suite 100, El Paso, Texas 79936
- B. 1313 Don Haskins Drive, El Paso, Texas 79936

**PASSED AND APPROVED THIS 30<sup>th</sup> DAY OF October 2012.**

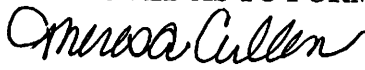
**CITY OF EL PASO**

  
\_\_\_\_\_  
John F. Cook  
Mayor


**ATTEST:**

  
\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Theresa Cullen  
Deputy City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Monica Lombraña, A.A.E.  
Director of Aviation

*Dedicated to Outstanding Customer Service for a Better Community*

**SERVICE SOLUTIONS SUCCESS**



October 31, 2012

Veronica Escobar  
County Judge  
County of El Paso  
500 E. San Antonio  
El Paso, TX 79901

RE: FTZ No. 68  
Subzone Minor Boundary Modification

Dear: Veronica Escobar:

The City of El Paso as Grantee of Foreign-Trade Zone (FTZ) No. 68 has filed a subzone application through a minor boundary modification process with the US Foreign-Trade Zones Board to include two properties as part of FTZ No. 68. This subzone application is being submitted on behalf of Expeditors Inc. who operates two distribution centers at 1450 Pullman, suite 100, and 1313 Don Haskins Dr., El Paso, TX 79936. This application will allow Expeditors Inc. to utilize a FTZ to improve their international competitiveness in the region, while ensuring that it retains jobs in El Paso. Expeditors currently employs 142 individuals at its distribution centers, and supports a number of local suppliers and service providers in the region.

The City of El Paso is seeking a letter of support or no objection to this project. We would appreciate a reply within 45 days. If there is anything that we can do to ensure cooperation with this project, please let us know. Please feel free to contact me with any questions at (915) 771-6016.

Sincerely,

Jose Quinonez, A.Z.S.  
Foreign-Trade Zone Manager

Cc: Monica Lombrana, Director of Aviation

Mayor  
John F. Cook

City Council

District 1  
Ann Morgan Lilly

District 2  
Susie Byrd

District 3  
Emma Acosta

District 4  
Carl L. Robinson

District 5  
Dr. Michiel R. Noe

District 6  
Eddie Holguin Jr.

District 7  
Steve Ortega

District 8  
Cortney Carlisle Niland

City Manager  
Joyce A. Wilson



EL PASO INTERNATIONAL AIRPORT



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