MEMORANDUM Agenda Item No. 8(K)(1)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: November 3, 2011

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Resolution authorizing the County Mayor to apply for, and subsequently execute an agreement with, the U.S. Department of Commerce Foreign Trade Zones Board for the purpose of establishing and administering a general purpose Foreign Trade Zone

This item was amended from the original version as stated on the County Mayor's memorandum.

The accompanying resolution was prepared by the Seaport Department and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.

R. A. Cuevas, Jr.
County Attorney

RAC/up

Memorandum

MIAMI-DADE COUNTY

Date: November 3, 2011

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: General Purpose Foreign Trade Zone

This item was amended at the September 14, 2011 Economic Development and Social Services Committee meeting to clarify that the application is with the United States Foreign Trade Zones Board, and not the Department of Commerce, for a grant of authority to establish and administer a general purpose foreign trade zone. Title of resolution has been changed to reflect these amendments.

Recommendation

It is recommended that the Board adopt the accompanying Resolution authorizing the Mayor or his designee to apply for, and execute an agreement with, the U.S. Foreign Trade Zones Board. The agreement will lead to the establishment of a general purpose Foreign Trade Zone to help serve the needs of Miami-Dade County's international trade community.

Scope

The Foreign Trade Zone will encompass Miami-Dade County north of Southwest 8th Street (U.S. 41). It will include District 1 - Commissioner Barbara J. Jordan; District 2 - Commissioner Jean Monestime; District 3 - Commissioner Audrey M. Edmonson; District 4 - Sally A. Heyman; District 5 - Commissioner Bruno A. Barreiro; District 6 - Commissioner Rebeca Sosa; District 7 - Commissioner Xavier L. Suarez; District 10 - Commissioner Senator Javier D. Souto; District 12 - Commissioner Jose "Pepe" Diaz; and District 13 - Commissioner Esteban Bovo, Jr. The impact of this agenda item is countywide as the Port of Miami ("Port") is a regional asset and generates employment for residents throughout Miami-Dade County.

Fiscal Impact/Funding Source

The Port of Miami as the Foreign Trade Zone administrator will publish and charge fees to cover its administrative costs. All costs of operating and financing the individual site operations will be borne by subzone operators. Individual companies will be responsible for the operating and financing costs of their zone operations. No additional fiscal impact is anticipated.

Track Record/Monitor

The Seaport Department staff members responsible for monitoring the application are Bill Johnson, Director, Juan Kuryla, Deputy Director, and Kevin Lynskey, Assistant Director of Business Initiatives.

Background

Miami-Dade County seeks to establish through the Port of Miami a new general purpose Foreign Trade Zone (FTZ). FTZs are geographically designated areas adjacent to ports of entry where commercial merchandise receives the same Customs treatment it would if it

were outside the commerce of the United States. Merchandise may be held in the FTZ without being subject to Customs duties and other ad valorem taxes. FTZs are best administered as a public utility wherein Zone benefits are extended to any eligible entity wishing to conduct foreign trade activities. It is very common for ports to administer Zones, as is the case with both Port Everglades and JaxPort. Consequently, the Port of Miami and the Miami-Dade community will remain competitive as it seeks to expand its trade, warehousing and advanced manufacturing base.

Miami-Dade County currently has an established international trade industry that will benefit from this new zone. Two active Zones exist in the County. FTZ #166 is administered by the Vision Council and serves the needs of Homestead. It has only one active site. FTZ Zone #32 is located in Doral and has traditionally been confined to the location occupied by the Miami Free Zone on 107th Avenue. The Greater Miami Chamber of Commerce is the sponsor, though a private entity acts as the administrator. A third Zone was established two decades ago in Wynwood, FTZ #180, but the site has never been activated, suffered through a bankruptcy and other litigation with the City of Miami, no longer has associated property, and has not filed its status papers with the Foreign Trade Zone Board in a number of years.

The Miami-Dade County FTZ will encompass all land area located within Miami-Dade County which is north of Southwest 8th Street, including the Port of Miami. Portions of this area are part of the County's Empowerment Zone and Central Enterprise Zone, designated areas offering fiscal incentives to businesses that locate or expand within the zone. The application includes three initial sites which seek designation; they are the Port of Miami, the Flagler Logistics Hub and Flagler Station. These three sites are connected by rail service which links to the national railroad system. The southern half of Miami-Dade County (south of Southwest 8th Street) is already designated a FTZ (albeit under the 'site specific' model) and is administered by the Vision Council.

It is the County's intent to administer the FTZ through the Port of Miami as a public utility so that any eligible property owner within the Zone can receive Custom's benefits. This model wherein any qualifying site can receive the benefits of being in a FTZ is the preferred mode of operation of the Foreign Trade Zones Board. Over the decades, the national model shifted from being 'site specific' to being 'site flexible,' wherein multiple subzones exist within the boundaries of a FTZ.

As noted above, costs of operating and financing individual site operations will be borne by subzone operators. Individual companies will be responsible for the operating and financing costs of their zone operations, with the Port of Miami charging customary fees for helping to establish subzone sites and for administrative costs associated with periodic reporting to the Foreign Trade Zones Board.

Deputy Mayor

MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: November 3, 2011

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(K)(1)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous_____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(K)(1)
11-3-11

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO APPLY TO THE U.S. FOREIGN-TRADE ZONES BOARD FOR THE PURPOSE OF ESTABLISHING AND ADMINISTERING A GENERAL-PURPOSE FOREIGN TRADE ZONE

WHEREAS, this Board wishes to promote investment and employment opportunities within Miami-Dade County; and

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The foregoing recitals are incorporated in this resolution and is approved.

Section 2. This Board hereby approves the application for establishment of a general purpose foreign trade zone.

Section 3. The Board hereby authorizes the County Mayor or designee to apply >>to<<[1] [[~~for and subsequently execute an agreement with~~]] the U.S. >>Foreign-Trade Zones Board<< [[~~Department of Commerce~~]] for >>a grant of authority to<< establish[[~~ing~~]] and administer[[~~ing~~]] a general purpose foreign trade zone.

[1] Committee amendments are indicated as follows: words stricken through and/or [[double bracketed]] shall be deleted, words underscored and/or >>double arrowed<< constitute the amendment proposed.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman
Audrey M. Edmonson, Vice Chairwoman

Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 3rd day of November, 2011. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency.

By:_____
Deputy Clerk

Richard Seavey