

MEMORANDUM

Agenda Item No. 8(J)(1)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: October 7, 2014

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

SUBJECT: Resolution authorizing the County through the Miami-Dade County Seaport Department to submit an alternative site framework application for Reorganization/Expansion of existing Foreign Trade Zone 281 to the Foreign Trade Zone Board for the purpose of designating an additional magnet site within the existing service area

The accompanying resolution was prepared by the Port of Miami and placed on the agenda at the request of Prime Sponsor Economic Development and Port Miami Committee.



R. A. Cuevas, Jr.
County Attorney

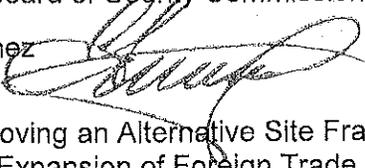
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Memorandum



Date: October 7, 2014

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Resolution Approving an Alternative Site Framework Application for
Reorganization/Expansion of Foreign Trade Zone 281

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the accompanying resolution authorizing the Foreign Trade Zone Board's (FTZB) Alternative Site Framework (ASF) Application for the Reorganization/Expansion of Foreign Trade Zone (FTZ) 281 for the purpose of designating Beacon Lakes as a Magnet Site within FTZ 281.

Scope

The Foreign Trade Zone encompasses Miami-Dade County north of South West 8th Street (U.S. 41). It includes 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. However, the impact of this agenda item is countywide as FTZ trade activity generates employment for residents throughout Miami-Dade County.

Fiscal Impact/Funding Source

Miami-Dade County will not be fiscally impacted by the proposed Resolution. FTZ 281 will continue to be administered through the fees published and charged by PortMiami under its Terminal Tariff No. 010.

Track Record/Monitor

The Seaport Department staff members responsible for monitoring the Agreement are Juan Kuryla, Port Director, and Kevin Lynskey, Deputy Director.

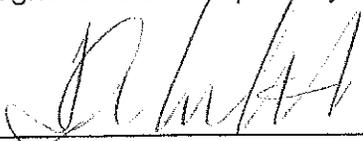
Background

In November of 2011, the Board passed Resolution 929-11 authorizing the Mayor to file an application with the FTZB for the purpose of establishing and administering a general purpose FTZ. As stated in the original Memorandum, FTZs provide valuable commercial benefits to communities such as ours that participate in international trade. 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, thereby allowing US businesses to compete against entities operating from foreign soil.

As a result of the application, in August 2012, Miami-Dade was granted FTZ 281 by the Department of Commerce, FTZB. Since the establishment of FTZ 281, the FTZB has approved a total of 24 operator applications within the zone. These applications represent over 2.5 million square feet of warehousing located throughout the approved area, making it the largest FTZ operation in the County.

The purpose of this agenda item is to seek approval from the Board to submit to the FTZB an ASF Application for Reorganization/Expansion of FTZ 281 designating an additional Magnet Site within FTZ 281. It is a requirement of the FTZB that magnet sites receive the endorsement of the County's governing board. FTZ 281 was originally approved with three Magnet Sites: Port Miami, Flagler Logistics Hub, and Flagler Station. Magnet Sites are larger areas that are usually located at ports or industrial parks. Magnet Sites are intended to serve or attract multiple operators or users under the ASF. PortMiami has been approached by Prologis, who owns the Beacon Lakes Industrial Park, located between 12200 and 12650 NW 25th Street. Prologis is one of the largest industrial property owners worldwide operating 574 million square feet of industrial logistics real estate properties in 21 countries. The proposed Magnet Site offers immediate access to the Miami-Dade County highway infrastructure and is perfectly positioned to take advantage of SR 821 (Turnpike) which runs adjacent to the park and connects tenants directly to 985 (Dolphin Express Toll Road) which leads to the PortMiami Complex. It also has close proximity to SR-90 which offers industrial park users with access to the west coast of Florida and the markets northward including Tampa, St. Petersburg, etc. and access to Interstate 95 which can move goods to the population centers up the east coast including Orlando, Daytona, etc. Furthermore, approval as a Magnet Site will provide the Grantee with 80,000 square feet of immediately available Zone space and an additional 320,000+/- square feet of additional building being completed during 2014. The Beacon Lakes industrial park will total approximately 5 million square feet of industrial property when fully built out in 2016.

PortMiami staff has been working closely with the FTZB to insure that this application meets the intent of the FTZ regulations and will advance the value of the FTZ 281. Based on informal reviews to date, staff recommends the addition of Beacon Lakes as the fourth Magnet Site and respectfully requests the approval of this resolution.



Jack Osterholt, Deputy Mayor



MEMORANDUM
(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: October 7, 2014

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

SUBJECT: Agenda Item No. 8(J)(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 Mayor'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(J)(1)

10-7-14

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE COUNTY THROUGH THE MIAMI-DADE COUNTY SEAPORT DEPARTMENT TO SUBMIT AN ALTERNATIVE SITE FRAMEWORK APPLICATION FOR REORGANIZATION/EXPANSION OF EXISTING FOREIGN TRADE ZONE 281 TO THE FOREIGN TRADE ZONE BOARD FOR THE PURPOSE OF DESIGNATING AN ADDITIONAL MAGNET SITE WITHIN THE EXISTING SERVICE AREA

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, authorizes the Miami-Dade County Seaport Department to submit an Alternative Site Framework application substantially in the form attached hereto for Reorganization/Expansion of existing Foreign Trade Zone 281 to the Foreign Trade Zone Board for the purpose of designating an additional magnet site within the existing service area.

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:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Esteban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 7th day of October, 2014. 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

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Richard Seavey

Alternative Site Framework
Application for Reorganization/Expansion of Existing FTZ

PART ONE: GENERAL INFORMATION

APPLICATION LETTER

1. The core of the application is a letter from the grantee that summarizes the application and transmits the full application (this format with attachments) to the FTZ Board. The letter should summarize the authority being requested, the proposed zone sites and facilities, and how the proposed reorganization/expansion would meet a demonstrated need for FTZ services. If you are proposing to add new sites, they should be discussed specifically in the letter including explaining how they would meet a demonstrated need for FTZ services. The letter should be dated within six (6) months prior to the submission of the application and signed by an authorized officer of the grantee corporation (see Question 11 under "Legal Authority for the Application" below).
See Attached

PROPOSED SERVICE AREA

2. To define the Service Area for your FTZ, name the counties/localities in which you propose to be able to request designation of FTZ sites in the future. Explain how the Service Area complies with:
 - the "adjacency" requirement of the FTZ Board's regulations (within 60 miles or 90 minutes' driving time from the outer limits of your CBP Port of Entry);
 - the state enabling legislation relevant to FTZs; and,
 - the relevant sections of the grantee's charter or organization papers.

Separately, in an attachment called "Service Area Correspondence," please include documentation of support from each county in your proposed Service Area (using the standard language provided in the relevant "Sample Service Area Concurrence Letter" on the FTZ Board web site). Alternatively, you may provide evidence that you have contacted the counties/jurisdictions in the proposed service area (using the standard language provided in the "Sample Service Area Notification letter") by attaching a signed copy of the letter along with evidence of transmittal. If your focus is less broad than a county-wide level, support may instead be documented from the appropriate sub-county jurisdiction(s). Also, if your proposed Service Area includes any partial jurisdiction(s), provide a map(s) clearly showing in red the line dividing the portions of the jurisdiction(s) inside and outside the Service Area. You may also provide an optional map of the proposed Service Area with proposed boundaries outlined in red.

NA

3. If your zone was not the first FTZ established for your CBP port of entry (entitlement zone), explain why the existing zone(s) is not adequately serving the "convenience of commerce" (needs of potential users) for the proposed service area/proposed expansion sites. (You are welcome to contact the FTZ Staff for guidance on addressing this question.) Cite evidence to support all assertions.

Miami Dade County is home to Foreign Trade Zones 32, 166, 180 and 281. Below is an explanation for each Foreign Trade Zone and its ability to accommodate the Magnet Site requested in our application:

- **FTZ 32 was established in 1977 and reorganized as Alternate Site Framework Zone in 2012. While the proposed Magnet Site lies within the service area for FTZ 32, at the time of their reorganization, FTZ 32 chose not to include this Magnet Site in their reorganization request.**
- **FTZ 166 was established in 1990 as a General Purpose Zone. Due to its location in the southern portion of the County, there is no geographic connection between this zone and the proposed Magnet Site.**
- **FTZ 180 was established in 1991 as a General Purpose Zone. This zone is located in the central eastern portion of the County with no geographic connection to the proposed Magnet Site. Furthermore, while the zone is active, there is no FTZ activity associated with the Zone, as evidenced by the FTZ Board Annual Reports to Congress for 2011 and 2012.**

Based on the service area covered by FTZ 281 and our willingness to seek reorganization of our site to add 4th Magnet Site, FTZ 281 is the only FTZ located in Miami-Dade County that can serve the "convenience of commerce" for the proposed Magnet Site.

GENERAL JUSTIFICATION FOR REORGANIZATION OR EXPANSION

4. Explain the need for the proposed reorganization or expansion of your FTZ under the ASF, including current and projected levels of international trade in the community. Describe the local economy's strengths and weaknesses, in general, including established and emerging industries and particular challenges. Indicate how reorganizing or expanding your FTZ under the ASF ties to local/state/regional economic development plans.

In August of 2012, Port Miami was granted the license for FTZ 281. At that time the, the application included 3 Magnet Sites: Port Miami, Flagler Logistics Hub and Flagler Station and Flagler Station. At the time that the application was prepared there was some preliminary conversation with Pro Logis regarding the inclusion of its Beacon Lakes industrial park in the application for the Alternative Site Framework application that was to be submitted by FTZ 32-Miami Free Zone. That application was filed without the Pro Logis site included.

Prologis, Inc., is the leading owner, operator and developer of industrial real estate, focused on global and regional markets across the Americas, Europe and Asia. As of December 31, 2013, Prologis owned or had investments in, on a consolidated basis or through unconsolidated joint ventures, properties and development projects expected to

total approximately 569 million square feet (52.9 million square meters) in 21 countries. These properties are leased to more than 4,500 customers, including third-party logistics providers, transportation companies, retailers, manufacturers, and other enterprises. Furthermore, Prologis is a leading provider of industrial real estate in Latin America, with approximately 35 million square feet (3.25 million square meters) of logistics and distribution space as of December 31, 2013.

International trade remains one of Miami-Dade County's most important sectors. The U.S. Bureau of Labor Statistics reports that in 2012 the international trade and logistics industry cluster directly employed approximately 30,000 workers in Miami-Dade. International trade supports an additional 41,600 jobs across the County through indirect and induced effects. This sector contributed approximately US\$6.4 billion to Miami-Dade's GDP and US\$4.3 billion to labor compensation and proprietor's income in 2012. The median wage in this industry cluster was US\$47,100. The median wage in Miami-Dade for all workers is US\$30,700, according to U.S. Bureau of Labor Statistics estimates for 2012.

Trade and logistics led the local economic recovery beginning in 2010, and by 2011 the annual increase in the total value of international trade reached 19.7%. International trade in 2012 grew at a rate of 10.7% per year. As the U.S. and global economy experienced a deceleration in the pace of economic growth, Miami-Dade's international trade activity also slowed. The pace of growth of trade in the first half of 2013 has lost much of its previous momentum, registering an increase of just 2.6% compared to the first half of 2012.

The value of total trade through the first 6 months of 2013 reached US\$47.0 billion, up from US\$45.9 billion for the first half of last year. Trade with South America totaled US\$20.6 billion in the first half of 2013, a gain of 4.2% year-over-year. Trade with Brazil and Colombia accounted 54 percent of Miami-Dade's trade with South America (\$6.9 billion with Brazil and US\$4.2 billion with Colombia).

The second largest trading partner remains Central America and the Caribbean with trade totaling US\$11.5 billion year-to-date, a 5% increase over the first two quarters of last year. Exports to the region accounted for US\$5.3 billion of the total, while imports accounted for US\$6.3 billion. Trade with Costa Rica accounted for US\$3.8 billion of total trade with the region, and increased by 23% over the first half of 2012. Trade with the Dominican Republic totaled US\$1.8 billion in the first half of the year, and trade with Honduras reached US\$1.2 billion over this period.

Due to the strength of the international trade and logistics in Miami-Dade County, this sector of our economy is the focus of several local economic initiatives. In addition to the efforts put forth by Miami-Dade County through its Airport, Seaport and Economic Development and International Trade Unit, these initiatives include The Beacon Council's One Community One Goal effort to grow targeted industries in Miami-Dade, the Florida Chamber of Commerce and its Made for Trade report as well as the efforts

of our local Chambers of Commerce. The proposed expansion of FTZ281 is consistent with the local initiatives to grow the international trade and logistics industry.

INFORMATION ON EXISTING ZONE SITES

5. Fill in the table immediately below (adding additional rows, as needed) for your existing sites, including any Subzones that are subject to your zone's activation limit. Here is a description of the information to fill in about each site:

- Site Identification -- This is the site/Subzone number assigned by the FTZ Board and should be reflected in the FTZ Board's documents to you. You can confirm this information by contacting the FTZ Staff.
- Basic Description of Site and Address -- This is the site name (for example, the Acme Industrial Park) and the street address (or similar indicator) that is the primary indication of the site's physical location.
- Acreage within Current Site Boundaries -- Indicate the number of acres within the current boundaries of the site. This figure should match the FTZ Board's records regarding the site's acreage.
- Sunset/Time Limit -- Indicate whether or not the site currently has a sunset or time limit

Site Identification	Basic Description of Site and Address	Acreage within Current Site Boundaries	Sunset/Time Limit
281-1 (Magnet)	Dante B. Fascell Port of Miami 1015 N. America Way Miami, FL	520	NA
281-2 (Magnet)	Flagler Logistics Hub 6875 NW 58 Street Miami, FL	423	8/2/2022
281-3 (Magnet)	Flagler Station 10505 NW 112 Avenue Miami, FL	419	8/2/2017
281-4	Warehouse Div. of World Terminal and Distribution Corporation 2801 NW 74 Avenue Miami, FL	6	10/31/2015
281-5	Duty Free Air and Ship Supply Co. 555 NE 185 Street and 320 NE 187 Street Miami, FL	8	11/30/2015
281-6	Milenium Supply 9920 NW 21 Street Miami, FL	.29	2/29/2016
281-7	Tire Group International 7500 NW 35 Terrace Miami, FL	4	4/30/2016

281-8	DHL Global 9350 NW 108 Avenue Miami, FL	16.52	4/30/2016
281-9	Supreme International LLC 4875 NW 77 Avenue Miami, FL	2.71	5/31/2016
281-10	International Cruise Duty Free, Inc. 3511 NW 113 Court Miami, FL	1	5/31/2016
281-11	GFX, Inc. 4810 NW 74 Avenue Miami, FL	1	5/31/2016
281-12	Asimex Miami Forwarding, LLC 8000 NW 29 Street #118 and 8006 NW 29 Street, #119 Miami, FL	.44	6/30/2016
281-13	CEVA Freight LLC 5601 NW 72 Avenue Miami, FL	18.07	9/30/2016
281-14	TVA Automotive, Inc. 2180 NW 89 Place Doral, FL	3.91	9/30/2016
281-15	Dufry America Services, Inc. 10300 NW 19 Street, Suite 114 Miami, FL	4	9/30/2016
281-16	Precision Trading Corp 15800 NW 48 Avenue Miami, FL	4.98	9/30/2016
281-17	Interport Logistics LLC 12950 NW 25 Street Miami, FL	4	11/30/2016
281-18	CE North America 6950 NW 77 Court Miami, FL	2.26	11/30/2016
281-19	Hellmann Worldwide Logistics, Inc. 10450 Doral Blvd. Doral, FL	5.28	12/31/2016
281-20	Miami International Freight Solutions, LLC 14100 NW 60 Avenue Miami Lakes, FL	2.27	1/5/2014
281-21	TVA Automotive, Inc. 3515 NW 113 Ct. Doral, FL	1,004	4/30/2017
281-22	Expert Log LLC 10540 NW 29 Terrace	0.5094	5/31/2017

	Doral, FL		
281-23	Schenker, Inc. 1800 NW 133 Avenue, Suite 100 Miami, FL	7.34	5/31/2017
281-24	Everwell Parts, Inc. 10914 NW 33 Street, Suite 100 Miami, FL	1.19	5/31/2017

INFORMATION ON NEW OR MODIFIED ZONE SITES (IF APPLICABLE)

6. You only need to fill in the table below if there are 1) new sites that you are proposing for your FTZ or 2) existing sites that you propose to modify in any way. All new or modified sites should be included in this table (whether they are proposed for Magnet or Subzone or Usage-Driven designation). Add additional rows to the table, as needed. Here is a description of the information to fill in about each site:

- Site Identification -- For a modification to an existing site, this will be the number already assigned to the site by the FTZ Board (as reflected in the FTZ Board's documents to you). For any new Magnet or Usage-Driven site, use new numbers for wholly new sites. For any new Subzone, use a new letter to indicate the proposed Subzone. (If your zone already has designated Subzones, use the next available letter.)
- Change to Site -- Fill in this field as follows:
 - If the site being proposed will be entirely new, indicate "New."
 - If the site already exists in your zone and you are proposing to remove it, indicate "Remove."
 - If the site already exists in your zone and you propose to retain the site but with modified site boundaries, indicate "Modify."
 - If the site already exists in your zone and you are simply proposing to renumber it, indicate "Renumber" followed by the new number for the site (for example, "Renumber to Site 5").
- Basic Description of Site and Address -- This is the name (for example, the Acme Industrial Park) and the street address (or similar indicator) that is the primary indication of the site's physical location. For an existing site that you are modifying or removing, if the name and address remain the same as listed in the table in Question 5 above, simply indicate "Same as Existing."
- Acreage within Proposed Site Boundaries -- Indicate the number of acres within the proposed (rather than existing) boundaries of the site.

Site Identification	Change to Site	Basic Description of Site and Address	Acreage within Proposed Site Boundaries
25	New	Beacon Lakes industrial park, 12200-12650 NW 25 th Street, Miami	320

SUMMARY OF PROPOSED ZONE STRUCTURE

7. In the table below, list all sites (both Magnet and Subzone/Usage-Driven) that you are proposing for inclusion as part of your FTZ under the ASF at this time. (Note that this list will not include any pre-existing Subzone of your zone, unless you have a specific reason to fold such a Subzone into the ASF. Contact the FTZ Staff for guidance on this point, as needed).

Add additional rows to the table, as needed. Here is a description of the basic information you will need to provide about each site:

- Site Identification -- This number or letter associated with a site should match the information you provided in the tables for Questions 5 and 6 above.
- Site Category -- For sites you are retaining or proposing, indicate "Magnet" or "Subzone" or "Usage-Driven" designation, as appropriate.
- Acreage within Site Boundaries -- Indicate the number of acres within the boundaries of each site proposed as part of your future zone structure. For existing sites that are not being modified, this figure should match the acreage indicated for the site in the table for Question 5 above. For new or modified sites or Subzones, this figure should match the acreage indicated for the site in the table for Question 6 above.

Site Identification	Site Category	Acreage within Proposed Site Boundaries
281-1	Magnet	520
281-2	Magnet	423
281-3	Magnet	419
281-4	Usage Driven	6
281-5	Usage Driven	8
281-6	Usage Driven	.29
281-7	Usage Driven	4
281-8	Usage Driven	16.52
281-9	Usage Driven	2.71
281-10	Usage Driven	1
281-11	Usage Driven	1
281-12	Usage Driven	.44
281-13	Usage Driven	18.07

281-14	Usage Driven	3.91
281-15	Usage Driven	4
281-16	Usage Driven	4.98
281-17	Usage Driven	4
281-18	Usage Driven	2.26
281-19	Usage Driven	5.28
281-20	Usage Driven	2.27
281-21	Usage Driven	1.004
281-22	Usage Driven	0.5094
281-23	Usage Driven	7.34
281-24	Usage Driven	1.19
281-25	Magnet	320

8. Please explain the circumstances (including reference to the specific site number(s)) if you are proposing to remove or renumber any existing site(s):
NA

9. For any current and future sites (including Subzones) of your zone, confirm that you commit to working with U.S. Customs and Border Protection (CBP), as appropriate, to meet current and future CBP automated-systems requirements (such as ACE) and to meet any CBP security requirements related to activation?

Port Miami has a strong working relationship with U.S. Customs and Border Protection (CBP) and is committed to working with CBP, as appropriate, to meet current and future CBP automated systems requirement and to meet any CBP security requirement related to activation.

OTHER REQUESTS (OPTIONAL)

The following two questions relate to optional flexibility that is possible for some Magnet sites. You may put "N/A" in response to each of these questions unless you are requesting the specific flexibility they address (in which case you will need to provide detailed response(s)).

10. Provide responses regarding the following optional requests, if applicable:
- There is a default sunset period of five years for each designated Magnet site in a zone reorganized under the ASF. The ASF allows for a grantee to request a possible

exemption from the sunset limits for one Magnet site. If you would like to request an exemption from the sunset limits for one of your Magnet sites, indicate the site number and describe in detail why this site was chosen for permanent status. Key considerations would be the publicly owned nature of a site and public processes leading to the site's selection.

NA

- b. If you believe that a sunset period of longer than five years is justified for one or more specific Magnet sites, provide separately for each such site a detailed description of the specific circumstances that you believe justify a sunset period of longer than five years for the site in question.

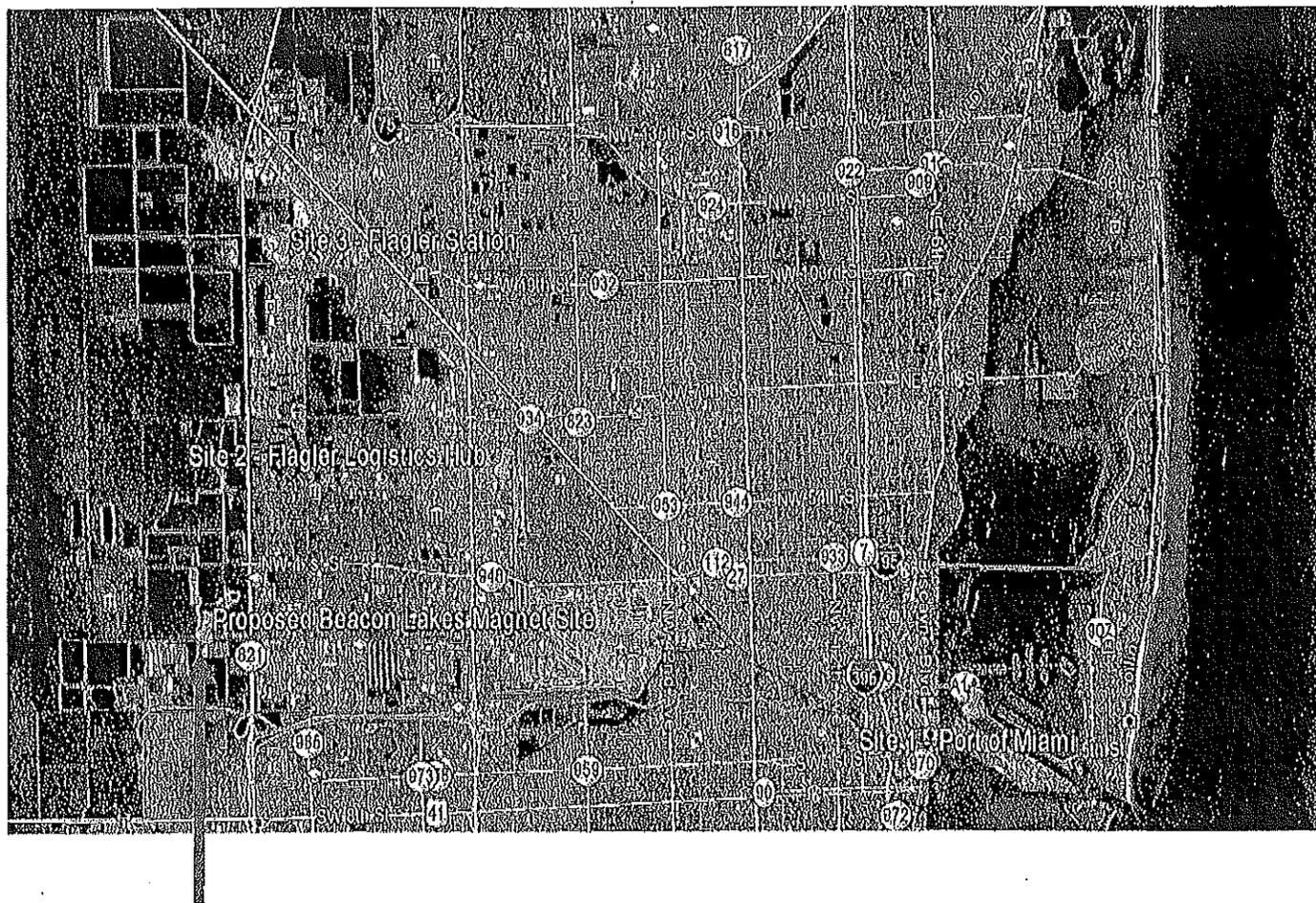
NA

LEGAL AUTHORITY FOR THE APPLICATION

11. In an attachment called "Legal Authority for Application," provide the following documents:
- a. a current copy of the state enabling legislation regarding FTZs.
 - b. a copy of the relevant sections of the grantee's charter or organization papers. For non-public grantees, also provide evidence of the organization's current legal standing with the state. This can include a letter or documentation from an appropriate state official or from the state's official website.
 - c. a certified copy of a resolution of the applicant's governing body specific to the application authorizing the official signing the application letter. The resolution must be dated no more than six (6) months prior to the submission of the application. The resolution should indicate the nature of the application.

See Attached

FTZ 281 Service Area with Magnet Sites (Existing and Proposed)



Proposed Beacon Lakes Magnet Site 4 (FTZ 281-25)

Alternative Site Framework
Application for Reorganization/Expansion of Existing FTZ

**PART THREE: JUSTIFICATION FOR NEW
OR EXPANDED MAGNET SITES (if applicable)**

You will only need to complete this part if you are proposing new or expanded Magnet sites. If you are only proposing to modify (remove acreage) from existing sites, you will only have to complete Part Four.

1. Explain in detail the need for each new or expanded Magnet site to provide FTZ services to the community, including specific expressions of interest from proposed zone users.

The PortMiami Zone project (FTZ No. 281), was created for Miami-Dade County to provide more access to Zone users within this growing international trade market, than has previously been offered over the past 30 years. By creating FTZ No. 281, PortMiami has accomplished this lofty and difficult goal. The FTZ No. 281 project currently contains only two private Magnet sites. Both of these facilities are rail-oriented sites which do not typically cater to third-party logistics service providers (3PLs) which are a dominant industry within the Miami International Trade industry. In fact, International Trade is a key industry in Miami employing over 105,000 individuals and remaining one of the highest paying industries in terms of wage levels. The Miami Customs District 52 is ranked as the 11th largest U.S. Customs District and set a new national record for trade surplus of \$25.70 billion. This surplus means that exporters shipped \$26 Billion more out of Miami, than imports to Miami.

Three of the most prominent international trade participants within the Miami freight forwarding industry sector have signed one letter of intent and two letters expressing interest, GENCO (letter of intent), UTi and Ryder Logistics (expressions of interest), to use the proposed Magnet site at Beacon Lakes. Each of these logistics providers are all co-located within Prologis Beacon Lakes. This master-planned industrial development has the unique advantage of being close to two highways/tunpikes within the industrialized West Airport Corridor.

Prologis Beacon Lakes will assist the Grantee in "attracting multiple new Zone users" to the Miami-Dade County FTZ project. With four new buildings scheduled for completion between fourth quarter of 2013 and fourth quarter of 2016, this Magnet site will offer immediate Zone space which is often times required to attract new users. These planned, funded and permitted "speculative buildings" will offer single and multi-tenant occupancy opportunities for the Zone project, all within this concentrated industrial park. This industrial complex will mimic the Butterfield Park in El Paso, Texas which is home to dozens of Zone users within the single industrial park corridor.

2. *Why would your zone be unable to meet businesses' needs for FTZ services even though your zone has existing Magnet FTZ sites (as applicable) and the ASF enables rapid, simple designation of Subzones (or Usage-Driven sites) to serve future zone users throughout the Service Area?*

Approval of Magnet site designation for Beacon Lake's industrial park allows all Uti, GENCO and Ryder Logistics to access the Zone. Approval will provide the Grantee with 80,000 square feet of immediately available Zone space (which was completed in December 2013) and an additional 320,000+/- square feet of additional buildings, currently under construction, scheduled to be completed during 2014. Beacon Lakes industrial park will total approximately 5 million square feet of industrial development when fully built out in 2016.

The proposed Magnet site offers immediate access to the Miami-Dade County highway infrastructure and is perfectly positioned to take advantage of SR 821 (Turnpike) which runs adjacent to the park and connects tenants directly to 985 (Dolphin Express Toll Road) which leads to the PortMiami Complex. It also has close proximity to SR-90 which offers industrial park users with access to the west coast of Florida and the markets northward including Tampa, St. Petersburg, etc. and access to Interstate 95 which can move goods to the population centers up the east coast including Orlando, Daytona, etc.

Requesting separate Usage-Driven designation for each of the three interested companies would result in an undue financial and administrative burden, since all of them are located within a single site and all have plans on becoming activated Operators. Magnet site designation was developed by the FTZ Board to allow for multiple designations to occur within a single site as outlined under the regulations in "(400.2 (j). Magnet site means a site intended to serve or attract multiple operators or users under ASF."

The proposed site fulfills this defined requirement as an "and" not an "or." It meets the needs of multiple operators now and in the immediate future. Furthermore, the Magnet site has a short-term plan to provide and attract multiple new users over the next 2-5 years, through its commitment to develop new speculative and build-to-suit buildings for Zone users and operators. This is not a plan; not a maybe, but a commitment to construct a new set of Zone buildings which are already permitted, under construction, fully funded and underway for current and future use. This three pronged combination is not found in any other existing site within the Miami-Dade County Zone. None of the current Magnet sites has an activated operator. This proposed site (Prologis Beacon Lakes) has provided one letter of intent and two letters expressing interest, who are requesting to activate their facilities in order to serve multiple users.

(If you are proposing new Magnet sites that would result in exceeding the ASF's goal of six or fewer Magnet sites per grantee, also explain why your zone cannot otherwise serve businesses' needs for FTZ services. That explanation should address why six Magnet sites would be inadequate to meet businesses' needs, particularly given the ready availability of Subzone or Usage-Driven designation for any company ready to use FTZ procedures throughout your Service Area.)

N/A

3. *Describe in detail the grantee's process for selecting each new site (or expansion of an existing site) for which Magnet designation is proposed. Discuss the criteria applied in that process and how those criteria relate to the local economic development plans. Indicate the public entities involved in the site-selection process.*

PortMiami's FTZ 281 is relatively new, and as such, there have been few, if any requests for new Magnet sites. However, for consideration of this applicant's Magnet site and for future Magnet sites the following selection criteria will offer the Grantee and Zone with the most attractive places for Zone users and operators to locate.

- The proposed site demonstrates significant user demand for Zone space, with written commitment (letters of intent) for Zone Activation from at least one company,
- The proposed site is zoned industrial and has the proper industrial building infrastructure in place to build new Zone-related buildings immediately (within 6 months of applying). Full infrastructure awaiting a building permit must be demonstrated. Preference will be given to sites that are 200,000 square feet or greater.
- The proposed site must provide diversity from the other Magnet sites currently designated in terms of landowner and geographic diversity. The new or different landowner must be able to offer competitive advantages and opportunities for any users looking to establish a facility within one of the designated sites.
- The proposed site must have existing building space and additional construction planned within the coming 24 months which can serve the Zone project by offering any interested Zone users and operator with immediately available, designated Zone space.
- The proposed site is served major transportation corridors and/or rail.

The proposed Beacon Lakes Magnet site meets each of these criteria elements and will offer the Zone project with one to three activated Operators, available buildings and room for expansion. Expanding the Zone to include a new Magnet site under separate ownership than the two privately held sites which are currently part of the FTZ No.281 project will provide convenience of commerce and a healthy competitive advantage for potential Zone users and operators.

4. *In a "General Map(s)" attachment, provide one or more maps showing 1) the modified/new sites in a regional context and 2) the modified/new sites in relation to your existing FTZ sites. The maps must be legible and letter-sized (8 ½" x 11").*

See maps included.

Alternative Site Framework
Application for Reorganization/Expansion of Existing FTZ

**PART FOUR: SITE-SPECIFIC INFORMATION FOR
NEW/EXPANDED/MODIFIED MAGNET SITES (if applicable)**

QUESTIONS

1. *Indicate the site's distinct identifying number: _____ . This number must tie to your site tables in Questions 6 and 7 in Part One of the application.*

Site 25

2. *List the site's address, including the jurisdiction in which the site falls (town, city, county):*

The site is located between 12200 and 12650 NW 25th Street in Miami, FL which is located in north-central Miami-Dade County, Florida. This site is located to the north of SW 8th Street (SR-90/US-41) placing it within Service Area of FTZ No. 281 as outlined in the ASF Reorganization Application.

3. *List the total acreage within the proposed site's boundaries: _____ .*

The total acreage of the proposed site is 320+/- acres.

4. *If applicable, describe how the site relates to any existing site (permanent or temporary) and explain the circumstances.*

N/A

5. *Indicate the type of site (port facility, airport facility, industrial park, warehouse complex) and its current zoning. Where applicable, provide a summary description of the larger project of which the site is a part, including type, size, location and address. (Note: Sites (or areas within a site) with inappropriate zoning – such as agricultural, retail, or residential – are not eligible for FTZ status and should not be proposed in any application.)*

Beacon Lakes is a master-planned industrial park, properly zoned as light industrial and consisting of 320+/- acres. The park consists of nine state-of-the-art buildings (1,654,912 square feet of industrial space) and has space and plans to develop an additional 3,500,000 square feet by end of year 2016. This industrial park is currently 100% occupied, with 80,000 square feet available since December 2013 for immediate Zone Use. The size and scope of the Beacon Lakes industrial facility meets and exceeds the Grantee criteria preference for sites that are over 200,000 square feet or greater in size. The ability of Beacon Lakes to expand to accommodate new users, makes it a prime location for development in the region.

6. *Address the degree to which the site duplicates types of facilities at other proposed or existing sites in the zone.*

There are currently three Magnet sites within the FTZ No. 281 project which provide industrial space for multiple users and offer logistically advanced access (in terms of rail-served, and/or near port/airport). However, none of these Magnet sites have an activated user (based on FTZ Board's OFIS System Q3, 2013) and none of them are geographically located at the corner of the two busiest highways in Miami-Dade County; The Dolphin Expressway and the Turnpike.

As with the other Magnet sites, the Beacon Lake's site being requested will provide multiple users with access to FTZ designation. The Beacon Lakes industrial park is similar to the Flagler Station (Site 3) location as it offers a strong established development with areas for future expansion already planned. The difference between these parks and the Flagler Logistics Hub (Site 2) is that both are mature projects with proven results and established tenants.

The Dante B. Fascell Port is a public site owned by Miami-Dade County, while the other two Magnet sites are privately owned by Flagler. Beacon Lakes is privately owned by Prologis and while this is a similarity to the other Flagler sites, including a different landowner will further the Public Utility principles found in the new Part 400 Regulations of the FTZ Board, and provide additional convenience of commerce within the Zone project by offering potential Zone users in the market with a choice of sites/landlords based on their specific and unique needs.

The Grantee criteria included a site with logistical advantages and the ability to serve multiple users. This proposed site meets the Grantee's criteria of being multi-user, multi-purpose and logistically positioned and served by major transportation corridors offering tenants and prospective users with immediate Zone access and room for expansion. This site will expand the Zone project into one that offers a more diversified Magnet site offering, as Beacon Lakes is perfectly positioned for utilization by importers, exporters, manufacturers and third-party logistics providers seeking participating in the FTZ No. 281 project.

7. Describe the proposed site's (or expanded portion's):

- existing and planned buildings (including square footage)

The park consists of nine state-of-the-art buildings (1,654,912 square feet of industrial space) and has space to develop an additional 3,500,000 square feet.

Building Name	SF
Prologis Beacon Lakes 6	206,522
Prologis Beacon Lakes 7	192,806
Prologis Beacon Lakes 9	206,800
Prologis Beacon Lakes 10	192,476
Prologis Beacon Lakes 12	189,740
Prologis Beacon Lakes 13	189,906
Prologis Beacon Lakes 21	146,788
Prologis Beacon Lakes 22	164,937
Prologis Beacon Lakes 23	164,937
TOTAL	1,654,912

- *existing and planned activities*

Beacon Lakes provides its current tenants with industrial facilities to handle logistics, importing, distribution, warehousing and value-added activities.

- *whether the site is master planned*

Yes, Beacon Lakes is a master planned industrial park. (see master plan map included within the application)

- *projected timetable for construction and activation*

Current utilities (gas, sewer, electric and water, high-speed internet and roads) are fully in-place along with all the roadways needed to support the current park and areas designated for expansion. The total investment of \$80M included the construction of 13 roadways and infrastructure for the entire Beacon Lakes development.

Currently a 159,000 square foot speculative building was completed in the fourth quarter of 2013 which was already 50% leased prior to completion, leaving 80,000 square feet of an existing building available for immediate Zone use.

Another 165,000 square foot speculative building began construction in early 2014 and a second 165,000 square foot building was slated and just began construction in June of 2014. It is the intention of Prologis to have Beacon Lakes built out complete (5M square feet) by year-end 2016, and seek Activation immediately thereafter.

- *possibilities and plans for future expansion*

Current infrastructure and expansion plans are included under the bullet above. The entire build-out of Beacon Lakes industrial park will be completed by end of year 2016. Utilizing build-to-suit and speculative building development over the next three years, Prologis expects to continue attracting and filling these buildings as they come to completion. This industrial park is currently 100% occupied with 80,000 +/- square feet completed in December 2013 and another 330,000 square feet currently under construction in 2014.

8. *List the companies that currently occupy the site (or expanded portion):*

Triton Logistics Inc.
CHEP Aerospace US, Inc.
Caribex Worldwide Inc.
Pacific Services and Trading Inc.
Iron Mountain Information Mgmt
Air Marine Forwarding Co
Target Corp
Amcar Freight Inc
Synnex Corporatoin

Martainer Inc
Brightstar Corporation
3PD, Inc.
Nordyne International
UTI United States
Panalpina Inc.
Ryder Integrated Logistics Inc

9. *Briefly describe the transportation infrastructure serving the site, including its ties to the broader regional/national transportation system.*

This industrial park is located one mile from the interstate, five miles from the airport and nine miles from the port and offers easy access to each of these essential transportation infrastructure elements which are vital in the logistics and supply chains of key importers, exports and logistics providers. This prime location meets the Grantee criteria regarding "sites must be served by major transportation corridors."

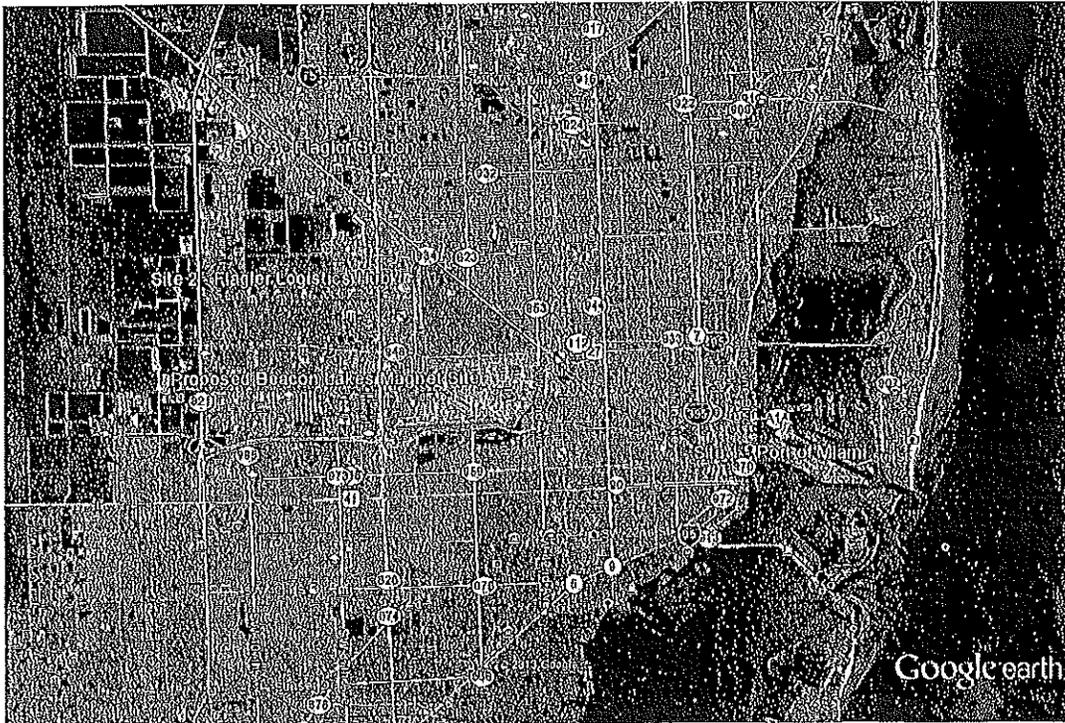
Proposed Beacon Lakes Magnet Site



Interstate: SR 821 (Turnpike) runs immediately out of the Beacon Lakes Park and connects directly to 985 (Dolphin Express Toll Road which leads to the Port. It has close proximity to SR 90 which provides industrial park users with access to the west coast of Florida and markets northward from there include Tampa, St. Petersburg, and access to Interstate 95 which can take goods to the population centers up the east coast including Orlando, Daytona, etc.

Airport: Miami International Airport is located 5 miles from Beacon Lakes. The Miami International Airport has four runways 9-27 (13,000 feet), 8R 26L (10,500 feet), 12/30 (9,355 feet) and 8L-26R (8,600 feet)

Seaport: PortMiami is a major driver of Miami-Dade County's growth. PortMiami is the southernmost port on the east coast and the closest port to the Panama Canal with 50' depth approval and construction financing in place with construction underway and scheduled for completion in 2015.



10. Briefly describe the physical security measures that will be used for the proposed site (or expanded portion) in order to meet CBP requirements.

All physical security features and activation requirements of CBP will be met. This includes sign-in sheets at the main entrance, perimeter security on building and regular patrols and alarms on certain buildings. Each operator will be responsible for their own security features.

11. Explain how the site will accommodate multiple companies' use.

Yes, as this is an industrial park, multiple companies are currently in residence and plans to construct a speculative building within the park will allow for available FTZ space for prospective users. The site is already being requested in order to accommodate three companies, who wish to activate Zone operations as reflected within the letters attached. In addition, the area included for expansion will be open for new multiple users under the public utility principles (uniform rates and conditions).

12. *Confirm that FTZ designation or the use of FTZ procedures is not a requirement or a precondition for future activity or construction at the site.*

FTZ designation or the use of FTZ procedures is not a requirement or pre-condition for future activity or construction at the proposed Site.

13. *List the owner(s). (If the site is not owned by the grantee, then provide a "Site Ownership" attachment with a letter of concurrence from the property owner(s).)*

Prologis (see enclosed concurrence letter)

Attach each of the documents listed below (Items 14 and 15, plus 16 if applicable).

14. *A clear and detailed site map showing existing and planned structures. The site boundaries must be outlined clearly in red. Note that if streets or similar landmarks are not legible on the site map, you will also need to provide a detailed street map with the proposed site's boundaries in red. Any map should be no larger than letter-sized (8 ½" x 11") and clearly labeled, with legends provided for any markings.*

See attached maps within the application.

15. *Signed letters of intent to use the proposed FTZ site (or expanded portion) on letterhead from firms considered prime prospects for use of the site (or expanded portion).*

See letter of intent from GENCO.

16. *If your state (such as TX, KY, AZ) has one or more taxes for which collections will be affected by the proposed FTZ designation of the new (or expanded) site, please attach all of the following:*

- A. *An explanation of the specific local taxes that will be affected;*
- B. *A stand-alone letter (in other words, a letter separate from the application letter) that:*
 - *Lists all of the affected parties;*
 - *Includes a statement below the list certifying that this is a complete list of all parties that would be affected by this particular request; and,*
 - *Is signed by an official of the grantee organization.*
- C. *Correspondence from all of the affected parties (such as a local school board) indicating their concurrence (or non-objection) regarding the proposed FTZ designation.*

N/A



Date: April 3, 2014

Mr. Kevin T. Lynskey
Assistant Port Director
Port of Miami
1015 North America Way, 2nd Floor
Miami, FL 33132

RE: Letter of Intent

Dear Mr. Lynskey:

GENCO operates other FTZ locations and we are interested to hear that our landlord, Prologis is going to complete a Zone Application for Beacon Lakes to make this Industrial Park a part of your new zone, FTZ No. 281. GENCO has a client in the Miami-Dade area that has expressed interest in us becoming an FTZ User/Operator of their account. GENCO plans to activate and operate the Zone inside the Beacon Lakes site once approved for this customer.

Consider this our letter of intent for active Zone operation in FTZ/No. 281.

Sincerely

A handwritten signature in black ink, appearing to read "Greg Hines", written over a horizontal line.

Greg Hines
13550 Independence Pkwy
Fort Worth, TX 76177
Director, Trade Compliance
Email: Gregory.Hines@GENCO.com
Tel: 817-837-6449
Fax: 817-837-6492

Product Lifecycle Logistics™

100 Papercraft Park | Pittsburgh, PA 15238 | 800-677-3110 | Fax: 412-826-0856 | www.genco.com



August 5, 2013

Mr. Kevin T. Lyskey
Assistant Port Director
Port of Miami
1015 North America Way, 2nd Floor
Miami, FL 33132

RE: Non-Binding Letter of Intent

Dear Mr. Lyskey:

Ryder Integrated Logistics, Inc. operates several FTZ locations throughout the country and we are interested to hear that our landlord, Prologis, is completing a Zone Application for Beacon Lakes to make this Industrial Park a part of your new zone, FTZ No. 281. Ryder has many clients in the Miami-Dade area that have expressed interest in us becoming an FTZ Operator for their accounts.

Ryder supports the FTZ initiative to make all of Beacon Lakes an FTZ site and we would consider becoming a Zone Operator for users within that site, once it is approved. Consider this as our non-binding letter of intent for FTZ No. 281.

Sincerely,

A handwritten signature in black ink, appearing to read "Sylvia Andis". The signature is fluid and cursive, written over a light blue horizontal line.

Sylvia Andis
Real Estate Portfolio Manager
Supply Chain Solutions

Real Estate Dept.
11690 NW 105 Street
Miami, FL 33178-1103