



MEMORANDUM

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

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

**DATE:** November 3, 2011

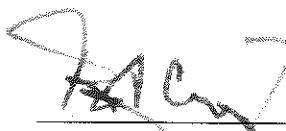
**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Resolution authorizing the Mayor or  
designee to apply to the U.S. Foreign-  
Trade Zones Board for the purpose of  
establishing and administering a  
general-purpose foreign trade zone

Resolution No. R-929-11

**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 Commissioner Rebeca Sosa.

  
\_\_\_\_\_  
R. A. Cuevas, Jr.  
County Attorney


RAC/cp

# Memorandum



**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

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**This item was amended at the November 3, 2011 Board of County Commissioners meeting to add a whereas clause to the resolution stating: "Whereas, this Board ultimately wishes to extend the benefits of the general purpose foreign trade zone to the entirety of Miami-Dade County".**

**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.**

## **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 8<sup>th</sup> 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**

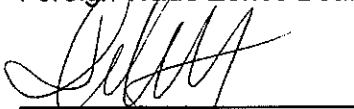
Miami-Dade County seeks to establish through the Port of Miami a new general purpose Foreign Trade Zone (FTZ). FTZs are geographically designated areas adjacent to ports of entry where commercial merchandise receives the same Customs treatment it would if it were outside the commerce of the United States. 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 107<sup>th</sup> 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 8<sup>th</sup> 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 8<sup>th</sup> 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

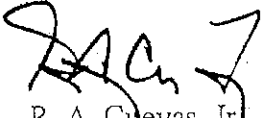


# MEMORANDUM

(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:** Amended  
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 \_\_\_\_\_

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

RESOLUTION NO. R-929-11

RESOLUTION AUTHORIZING THE MAYOR OR  
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 ultimately wishes to extend the benefits of the general  
purpose foreign trade zone to the entirety of 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 recital is incorporated in this resolution and is approved.

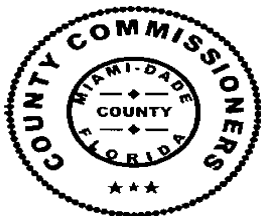
Section 2. This Board hereby approves the application for establishment of a general  
purpose foreign trade zone.

Section 3. The Board hereby authorizes the County Mayor or designee to apply to the  
U.S. Foreign-Trade Zones Board for a grant of authority to establish and administer a general  
purpose foreign trade zone.

The foregoing resolution was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Esteban L. Bovo, Jr.** and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	<b>aye</b>		
Audrey M. Edmonson, Vice Chairwoman	<b>aye</b>		
Bruno A. Barreiro	<b>aye</b>	Lynda Bell	<b>aye</b>
Esteban L. Bovo, Jr.	<b>aye</b>	Jose "Pepe" Diaz	<b>aye</b>
Sally A. Heyman	<b>aye</b>	Barbara J. Jordan	<b>aye</b>
Jean Monestime	<b>aye</b>	Dennis C. Moss	<b>aye</b>
Rebeca Sosa	<b>aye</b>	Sen. Javier D. Souto	<b>aye</b>
Xavier L. Suarez	<b>aye</b>		

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

By: **Christopher Agrippa**  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

Richard Seavey