

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Airport

AGENDA DATE: July 18, 2023

PUBLIC HEARING DATE: N/A

CONTACT PERSON NAME AND PHONE NUMBER: David Panko, 915-212-0480

DISTRICT(S) AFFECTED: District 2, 3, 4, 5, 6, 7, & 8

STRATEGIC GOAL 1: Cultivate an environment conducive to strong, economic development.

SUBJECT:

That the City Council approves the submission to the Foreign-Trade Zones Board of an application to expand Foreign-Trade Zone 68 existing sites and to add new sites more fully described on Exhibit A (FTZ Expansion Application), that the City Manager, or his designee, be authorized to sign the application and related documents to expand and modify Foreign-Trade Zone 68; and urges the Foreign-Trade Zones Board approval of the application on an expedited basis.

BACKGROUND / DISCUSSION:

Foreign Trade Zone 68 currently has 3448 acres designated as FTZ authorized land in the City of El Paso. These are parcels of land that are strategically located throughout El Paso covering industrial parks and stand-alone facilities. The Foreign Trade Zone 68 Expansion will be the 6th expansion of FTZ 68 since its inception in 1982, and the first expansion in the last 19 years. We will submit an Application to Reorganize/Expand an Existing Zone under the Alternative Site Framework (ASF) to the Foreign Trade Zones Board, US Department of Commerce, Washington, D.C., for their approval. These parcels are located in; El Paso City (Districts 2, 3, 4, 5, 6, 7, and 8), Town of Horizon City, City of Socorro, El Paso County (Precincts 1, 2, & 3), El Paso Community College (Districts 2, 3, 4, 6, and 7), the El Paso Independent School District (Districts 1, & 3), the Socorro Independent School District (Districts 2, 3, 4, and 5), and the Ysleta Independent School District (Districts 1, 3, 6, and 7).

The City of El Paso has a grant authority to establish, operate, and maintain FTZ 68 within the El Paso County. It is known as the Grantee of FTZ 68, which is operated through the Aviation Department's FTZ Administrative office. The zone helps expedite and encourage foreign commerce in the El Paso region and desires to add these parcels into FTZ boundaries through an ASF Reorganization/Expansion process with the US Foreign Trade Zones Board, US Department of Commerce.

The industrial and commercial economy has grown tremendously over the last 19 years with many industrial parks expanding and new industrial parks being constructed. The vacancy rate for large industrial and commercial properties has been at an all-time low for the last few years with forecasts predicting this to continue into the next few years. The infrastructure for roads has been improving with many projects including the I-10 Connect, the Montana Expressway, Spur 601, and Loop 375 improving the traffic flow in the El Paso region.

The ASF Reorganization/Expansion application is the process to expand the boundaries for FTZ 68, and is the method to keep the FTZ designated boundaries viable for industry, trade, and commerce.

Once the El Paso City Council approves the Expansion application, we will secure supporting letters from each of the taxing entities and US Customs and Border Protection. Once coordination with the affected taxing entities, FTZ 68 will submit the Expansion application to the Foreign Trade Zones Board in Washington, D.C. for final approval. The taxing entities are the City of El Paso (approved via this Resolution), El Paso County, El Paso Community College, Town of Horizon City, City of Socorro, the El Paso Independent School District, the Ysleta Independent School District, and the Socorro Independent School District.

The Exhibit A shows the locations of the planned FTZ boundaries of the new parcels in relation to other FTZ 68 boundaries.

PRIOR COUNCIL ACTION:

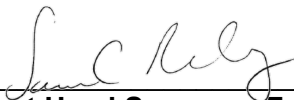
The Council approved the last Foreign Trade Zone Expansion on March 23, 2004.

AMOUNT AND SOURCE OF FUNDING:

Not applicable.

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

WHEREAS, the City of El Paso, a political subdivision of the State of Texas, has received authority from the Legislature of the State of Texas and the Foreign-Trade Zones Board to establish and maintain a foreign-trade zone at the Port of El Paso (Foreign-Trade Zone 68);

WHEREAS, the City of El Paso is the Grantee of Foreign-Trade Zone 68;

WHEREAS, the City of El Paso has received requests to expand Foreign-Trade Zone 68 in various sites in the City of El Paso and other locations in El Paso County, in order to make Magnet Sites for industrial park areas to meet the demand for zone space in these growing regions of the City and County; and

WHEREAS, the City Council believes it is in the best interest of Foreign-Trade Zone 68 that the City of El Paso complete and file a formal application to expand Foreign-Trade Zone 68 to include proper sites described in Exhibit A and to comply with applicable requirements specified in Sections 400.21 to 400.29 of the Regulations of the Foreign-Trade Zones Board, under the U.S. Foreign-Trade Zones Act of 1934, as amended.

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

That the City Council approves the submission to the Foreign-Trade Zones Board of an application to expand Foreign-Trade Zone 68 existing sites and to add new sites more fully described on Exhibit A (FTZ Expansion Application), that the City Manager, or his designee, be authorized to sign the application and related documents to expand and modify Foreign-Trade Zone 68; and urges the Foreign-Trade Zones Board approval of the application on an expedited basis;

APPROVED AND ADOPTED this _____ day of _____, 2023.


CITY OF EL PASO

Oscar Leeser
Mayor

ATTEST:


Laura D. Prine
City Clerk


APPROVED AS TO FORM:



Leslie B. Jean-Pierre
Assistant City Attorney

APPROVED AS TO CONTENT:



Samuel Rodriguez, P.E.
Director of Aviation


David R. Panko
Foreign Trade Zone Manager

Exhibit A

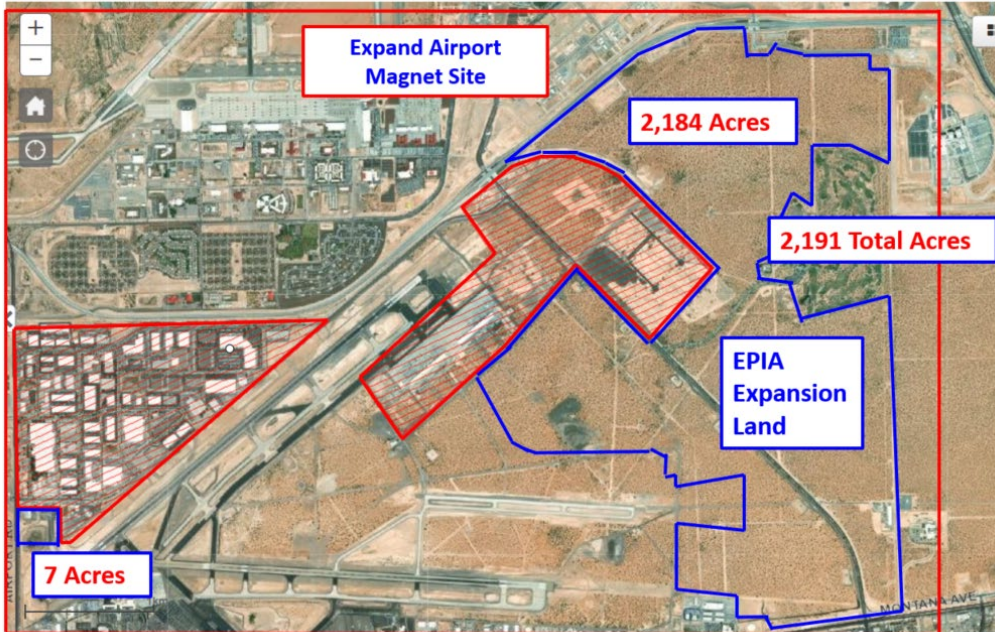
The following maps show the expansion sites and the new sites of the Foreign Trade Zone (FTZ) 68.

Expansion at the El Paso International Airport to align with the development activities currently underway.

FTZ 68 Expansion 6 – 2023

Site 1

Current – Red Lined
Expansion – Blue Lined

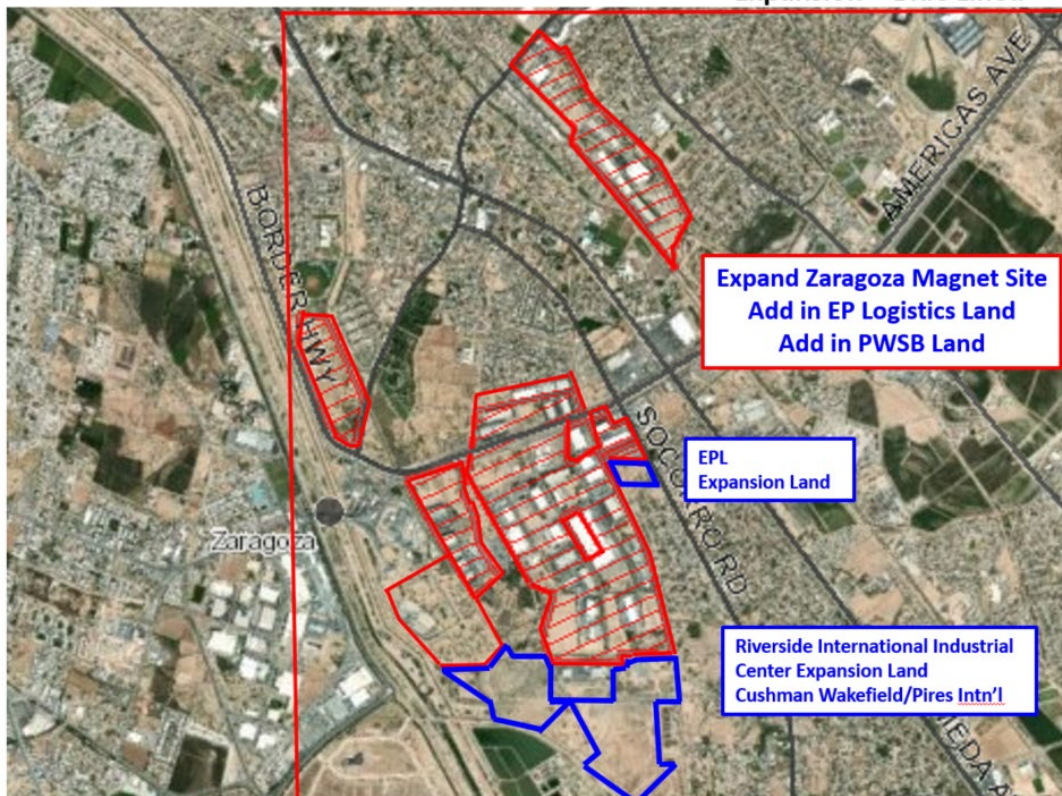


Expansion of Site 2, which is the Zaragoza Magnet Site near the Ysleta Port of Entry.

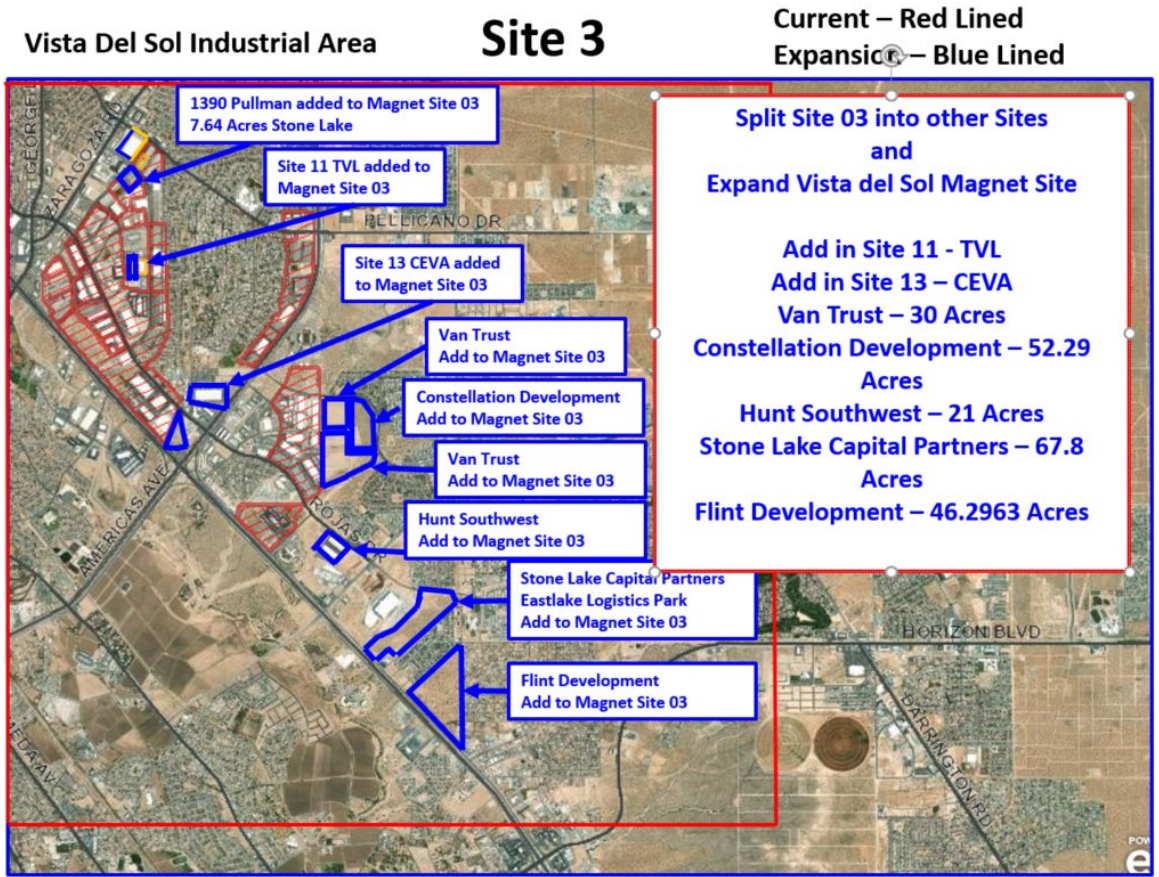
FTZ 68 Expansion 6 – 2023

Site 2

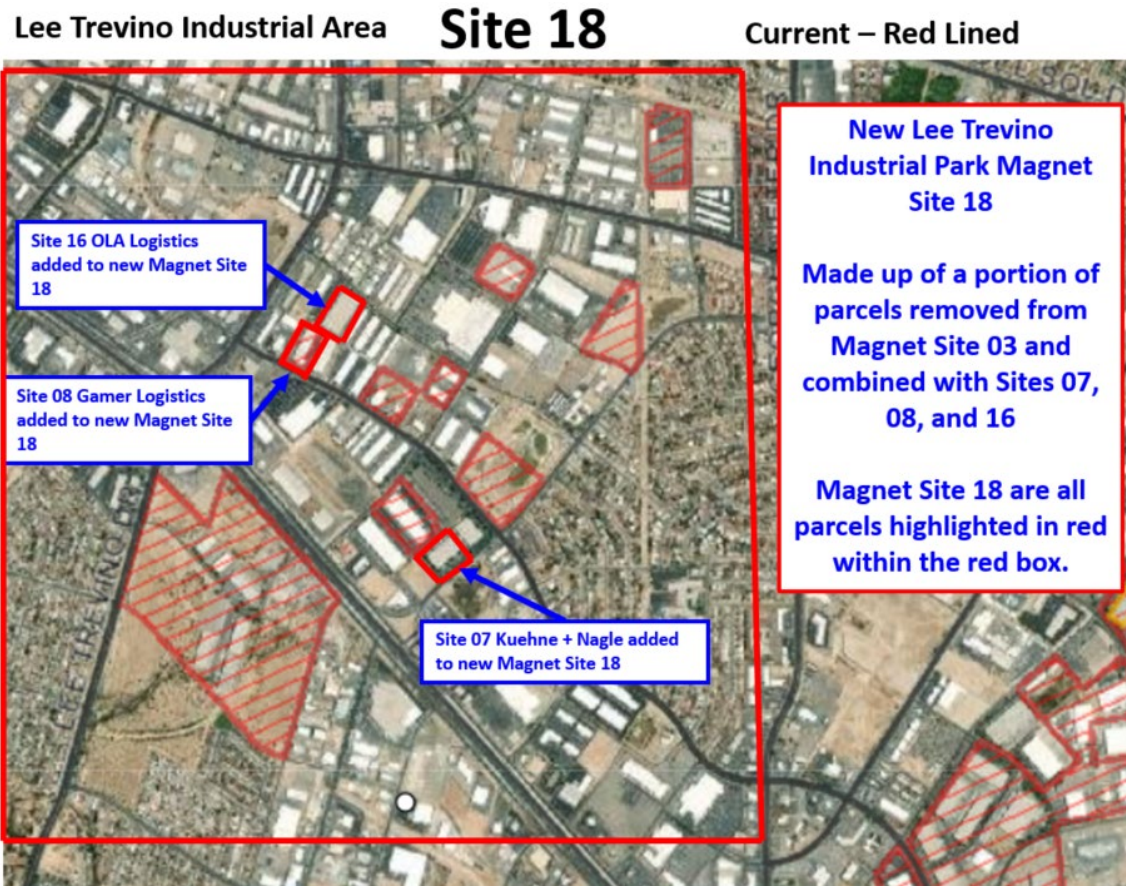
Current – Red Lined
Expansion – Blue Lined



The breaking up of Site 3 to create the Vista Del Sol Industrial Area and create two new sites (Site 18 and Site 19) and expanding the contiguous parcels in Site 3.

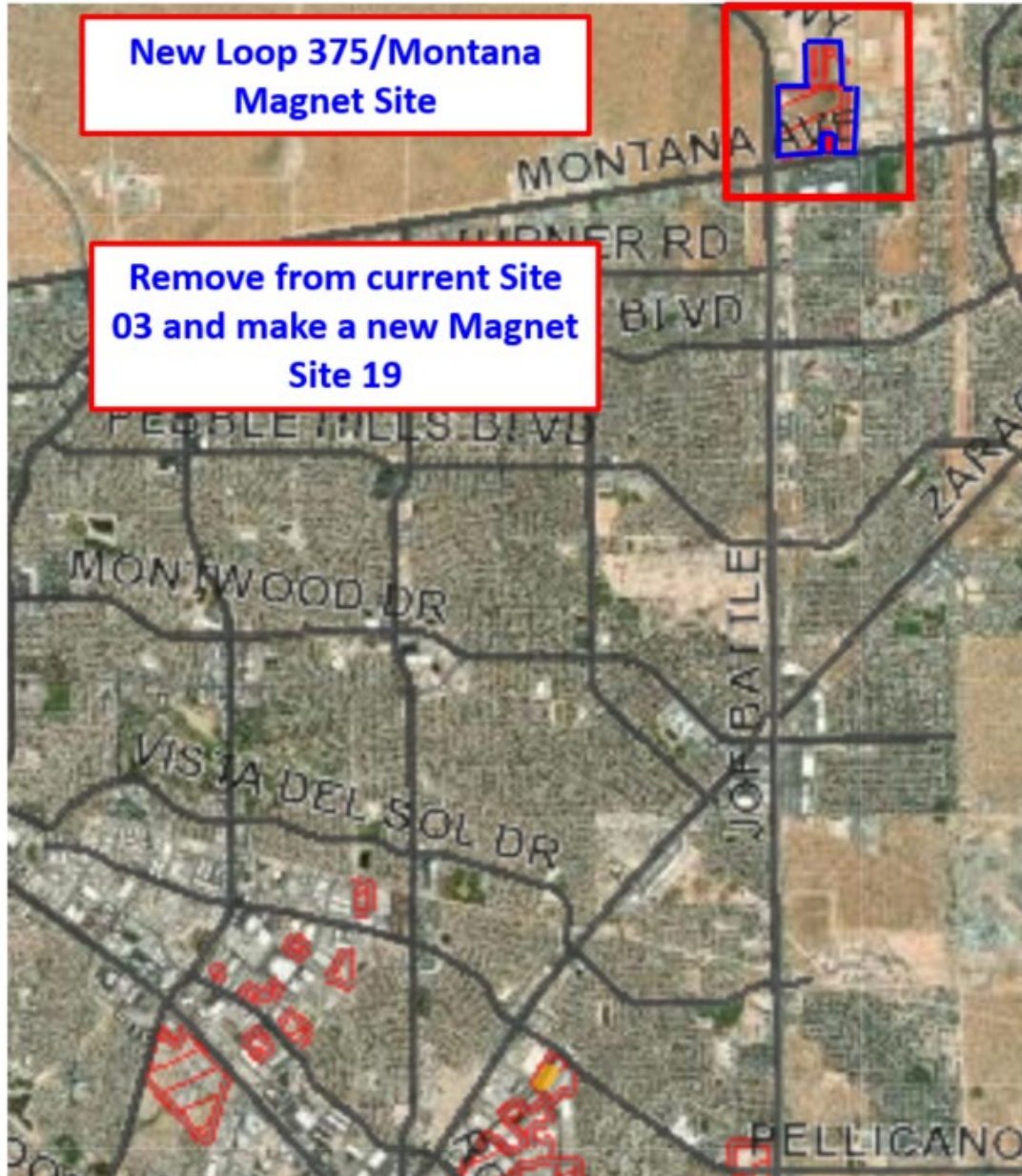


New Magnet Site created from Site 3, Site 18 the Lee Trevino Industrial Area Magnet Site.



New Magnet Site created from Site 3, Site 19 the Loop 375/Montana Magnet Site.

FTZ 68 Expansion - 2023 **Site 19** Current – Blue Lined

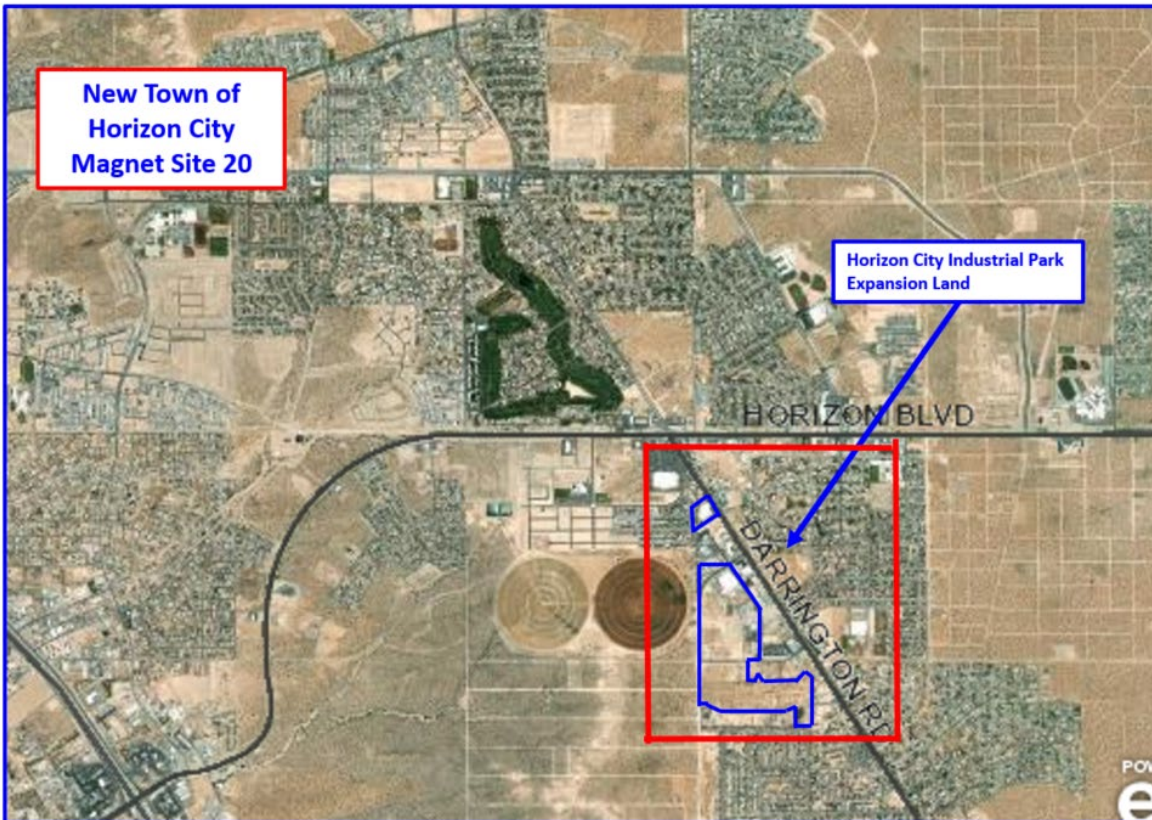


The new Magnet Site, located in the Town of Horizon City. This will be Site 20

FTZ 68 Expansion – 2023
Horizon City Industrial Park

Site 20

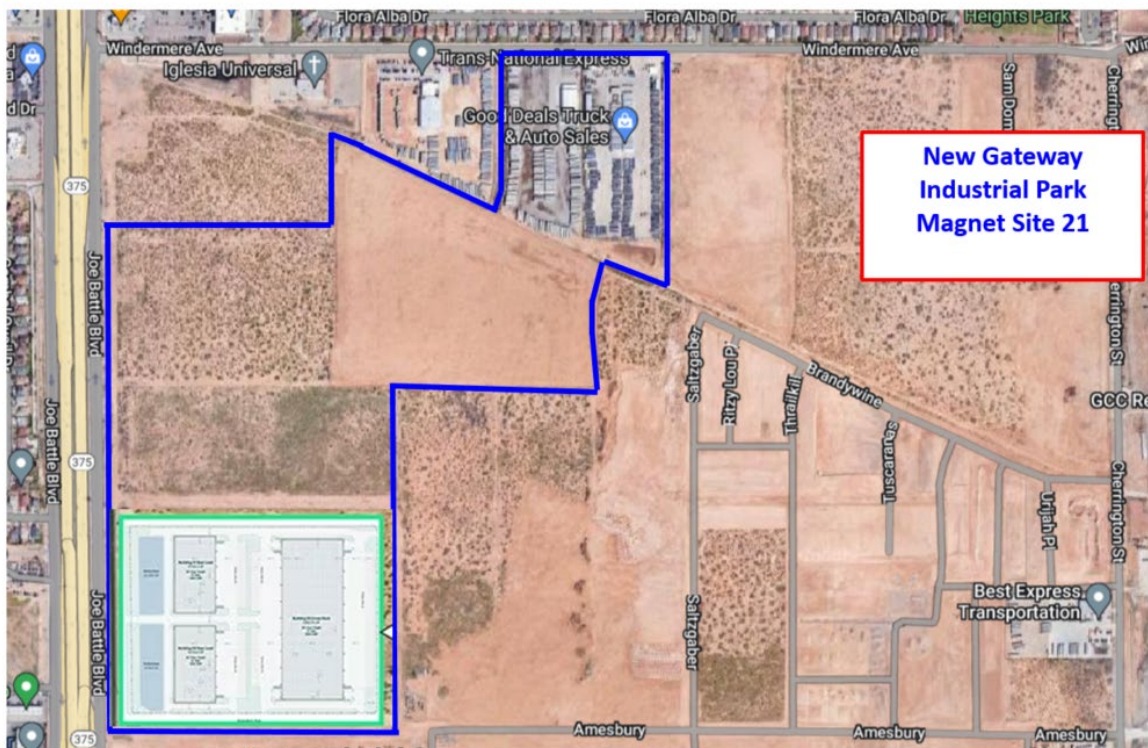
Expansion – Blue Lined



New Magnet Site in East El Paso on Joe Battle/Loop 375 and Windermere Avenue. This will be site 21 the Gateway Industrial Park Magnet Site.

FTZ 68 New Gateway Industrial Park Magnet Site

Site 21



New Magnet Site located in both El Paso County and City of Socorro. This is Site 22 the Southeast Industrial Area and made up of two developments; the Kimley Horn development in El Paso County and the Socorro Logistics Center in the City of Socorro.

FTZ 68 Expansion - 2023 **Site 22** Expansion – Blue Lined

