

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



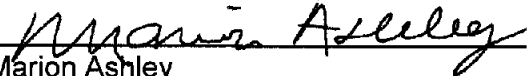
FROM: Supervisor Marion Ashley
Supervisor John J. Benoit
SUBJECT: Expansion of Foreign Trade Zone 236

SUBMITTAL DATE:
August 8, 2011

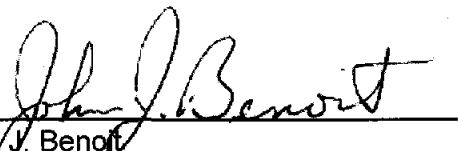
RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Direct the EDA Office of Foreign Trade to advocate for the expansion of Foreign Trade Zone 236 within the federal and state governments and to utilize legislative advocates as necessary
- 2) Direct the Assistant County Executive Officer-EDA, Managing Director EDA, and the Commissioner of Foreign Trade-EDA to convey the formal support of this board to the mayor, council, city manager and staff of the City of Palm Springs
- 3) Direct our Economic Development Agency to contribute \$ 25,000.00 from existing funds to the City of Palm Springs to offset the cost in preparation and submittal of the Foreign Trade Zone application to the federal government
- 4) Direct the Assistant County Executive Officer-EDA, Managing Director EDA, and the Commissioner of Foreign Trade to work with the City of Palm Springs to ensure the Foreign Trade Zone expands westward to include the corporate limits of the City of Banning and eastward to include the City of Coachella. With the intent of creating a FTZ that encompasses the majority of the Coachella Valley and significant portions of Cabazon, Whitewater, and Morongo tribal lands.

BACKGROUND: Commences on Page 2



Marion Ashley
County Supervisor, 5th District



John J. Benoit
County Supervisor, 4th District

Prev. Agn. Ref.:

District: 4, 5

Agenda Number:

3.6

Departmental Concurrence

BACKGROUND: Foreign Trade Zones are a tremendous benefit to our local business community. They provide duty and excise tax deferral, duty and excise tax avoidance, and re-exports pay no customs duties. Zone to zone transfers of products are duty free, businesses are eligible for inverted tariffs and duty fee reductions. Business benefits from reduced merchandise fee processing; they pay no inventory taxes, and enjoy quota timing advantages. Since March 2009 the County of Riverside has worked aggressively to add to existing foreign trade zones and worked cooperatively with the City of San Diego to expand into Southwest County. We advocated for the expansion and proper staffing of Foreign Trade Zone 244 and have aided business in the process. The expansion of Foreign Trade Zone 236, the oldest FTZ in the county, will be of benefit to businesses in the unincorporated areas of the county and all nine Coachella Valley cities. The expansion also includes a westward push to include the entire corporate limits of the City of Banning, the Morongo tribal lands, Cabazon, and Whitewater. Expansions are limited at this time by the availability of a Department of Homeland Security inspector to service businesses within the FTZ. Expanding this FTZ will assist in business attraction and retention efforts across both the 4th and 5 Supervisorial Districts.