COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

July 1, 2014

Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

RE: Restructuring Foreign Trade Zone No. 23 to the Alternative Site Framework

Dear Honorable Members:

Enclosed please find a memorandum and proposed resolution authorizing the submission of an application to the Foreign Trade Zones Board to implement the Alternative Site Framework for Foreign Trade Zone No. 23.

Should your honorable body require any further information, I encourage you to contact Kenneth J. Swanekamp, Director of Business Assistance at the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/cw
Enclosure

Cc: Maria R. Whyte, Commissioner
Thomas J. Dearing, Deputy Commissioner

MEMORANDUM

To:	Honorable Members of the Erie County Legislature
From:	Department of Environment and Planning
Re:	Restructuring Foreign Trade Zone No. 23 to the Alternative Site Framework
Date:	July 1, 2014

SUMMARY

The Department of Environment and Planning is seeking authorization for the County Executive to apply for restructuring of Foreign Trade Zone No. 23 under the Alternative Site Framework. The Alternative Site Framework is a new method of operating Foreign Trade Zones, recently made available by the Foreign Trade Zone Board in Washington, DC.

FISCAL IMPLICATIONS

No direct County funding is involved in the operation of Foreign Trade Zone No. 23. The Erie County Industrial Development Agency (ECIDA) assists the County in operations of the Zone and the ECIDA has instituted a fee schedule for users of the Zone that recovers some of the ECIDA staff and legal costs. The operation of the Zone assists firms with import and export of product, creating a positive financial impact on the County.

REASONS FOR RECOMMENDATION

The Foreign Trade Zones have operated since the award to Erie County as sites that had been pre-designated as Foreign Trade Zones. Various industrial parks and stand alone sites were designated with the expectation that companies using the Zone would locate in these areas.

Modification to the boundaries to assist companies that were not in pre-designated zones was difficult and time consuming. The Alternative Site Framework program will allow Zone acreage to be held in a "bank" and applied to specific companies on a more streamlined manner.

BACKGROUND INFORMATION

The County of Erie applied for and was awarded status as Foreign Trade Zone No. 23 Grantee in 1976. The County has been the Grantee of Foreign Trade Zone No. 23 since that time and has enlisted the assistance of the Erie County Industrial Development Agency in the day-to-day management of the Zone. Foreign Trade Zone No. 23 has been an important economic development support service.

CONSEQUENCES OF NEGATIVE ACTION

If authorization is not granted, the County will not be able to apply for the reorganization of Foreign Trade Zone No. 23 under the Alternative Site Framework. The ability to provide timely service to companies needing relief from import duties that can be provided under the Foreign Trade Zone program would be compromised.

STEPS FOLLOWING APPROVAL

Upon approval of the resolution, application for reorganization under the Alternative Site Framework will be submitted to the Foreign Trade Zone Board in Washington, DC. The County Department of Environment and Planning will continue to coordinate the operation of the Zone with the Erie County Industrial Development Agency.

A RESOLUTION SUBMITTED BY:
DEPARTMENT OF ENVIRONMENT AND PLANNING

RE: Restructuring Foreign Trade Zone
No. 23 to the Alterative Site Framework

WHEREAS, on June 18, 1934 Congress approved an Act "to provide for the establishment, operation, and maintenance of foreign trade zones in ports of entry of the United States to expedite and encourage foreign commerce and for other purposes" (hereafter the "Foreign Trade Zones Act"); and

WHEREAS, in accordance with the Foreign Trade Zones Act and regulations relating thereto, the County of Erie did apply to the Foreign Trade Zones Board ("Board") for a GRANT to establish, operate and maintain Foreign Trade Zone No. 23 at Buffalo, New York and received such GRANT pursuant to Board Order No. 110 on March 31, 1976; and

WHEREAS, the County of Erie has determined, in accordance with the Foreign Trade Zones Act and regulations relating thereto, that it is desirable to restructure Foreign Trade Zone No. 23 under the Alternative Site Framework as announced by the Board in 74 *Federal Register* 1170 on January 12, 2009.

NOW, THEREFORE, BE IT

RESOLVED, that the County of Erie and the County Executive, Grantee of Foreign Trade Zone No. 23, is hereby duly authorized to submit an Application to reorganize General Purpose Foreign Trade Zone No. 23 under the Alternative Site Framework and the County Executive is hereby authorized to execute any Agreements with the Foreign Trade Zone Board, with any prospective companies to be in the Zone, and the Erie County Industrial Development Agency for management of the Zone; and be it further

RESOLVED, that any subsequent Administrative Actions, such as the addition of a Usage Driven Boundary Modification application to be filed at the Foreign Trade Zones Board relating to this application are also specifically authorized. This will provide the County of Erie with the ability to quickly react to a request by a company under the Alternative Site Framework; and be it further

RESOLVED, that this Resolution takes effect from and after its date of adoption; and be it further

RESOLVED, that certified copies of this resolution be sent to the County Executive's Office; the Director of the Division of Budget and Management; the Comptroller's Office; the Commissioner of the Department of Environment and Planning and the County Attorney.