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COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

June 16, 2016

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

**RE: Contract with the Erie County Industrial Development Agency for
Administration of Erie County Foreign Trade Zone No. 23**

Dear Honorable Members:

Enclosed please find a memorandum and proposed resolution from the Department of Environment and Planning authorizing the execution of contracts with the Erie County Industrial Development Agency for the administration of the Erie County Foreign Trade Zone Program.

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

Sincerely yours,

A handwritten signature in black ink that reads "Mark C. Poloncarz".

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/cw
Enclosure

cc: Thomas R. Hersey, Jr., Commissioner

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Contract with the Erie County Industrial Development Agency for Administration of Erie County Foreign Trade Zone No. 23
Date: June 16, 2016

SUMMARY

It is recommended that the Erie County Legislature authorize the County Executive to enter into contract with the Erie County Industrial Development Agency for the purpose of administration of Erie County Foreign Trade Zone No. 23.

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 Erie County Industrial Development Agency is currently under contract with Erie County to perform day to day management of the Zone. The current contract will expire on August 31, 2016. The County and ECIDA would like to continue the current relationship through a new five year contract. Coordination between the County and ECIDA has resulted in improvements such as application for and approval of an Alternative Site Framework for the Foreign Trade Zone. 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 complete the proposed agreement for administration of the zone. 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, an agreement will be executed between Erie County and the ECIDA for administration of Foreign Trade Zone No. 23. The County Department of Environment and Planning will continue to coordinate the operation of the Zone with the ECIDA.

A RESOLUTION SUBMITTED BY:
DEPARTMENT OF ENVIRONMENT AND PLANNING

RE: Contract with the Erie County Industrial Development Agency for Administration of Erie County Foreign Trade Zone No. 23

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, that it would be in the Community’s best interest for the Erie County Industrial Development Agency (ECIDA) to assist in the administration and management of Foreign Trade Zone No. 23; and

WHEREAS, the County of Erie and the ECIDA are currently under contract for ECIDA management of the Foreign Trade Zone and that such contract runs from September 1, 2011 to August 31, 2016.

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 enter into agreements with the ECIDA for administration and management services for Foreign Trade Zone No. 23 beginning September 1, 2016; and be it further

RESOLVED, that such agreement will be for a period not to exceed five years; 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.