



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: December 11, 2018

Reference: Consider approval of a Resolution approving a letter of support for the creation of a Foreign Trade Zone to be located at 410 N. Freeport Parkway in Coppell, Texas, and authorizing the Mayor to sign.

2030: Business Prosperity

Executive Summary:

ATP Science is requesting a letter of support from the City of Coppell for the creation of a Foreign Trade Zone at 410 N. Freeport Parkway. This letter of support is just one step in the process of application for ATP Science to receive Foreign Trade Zone status.

Introduction:

ATP Science is an Australian company looking to locate a US Headquarters and manufacturing facility at 410 N. Freeport Parkway in Coppell. The company specializes in the development and manufacturing of health supplements. ATP Science will be leasing approximately 21,000 square feet initially with an option to expand up to 42,000 square feet of space. The company will ultimately have 74 employees, \$4,500,000 in capital investment and over \$3,000,000 in sales annually.

The company will be shipping in materials from Australia. The creation of a Foreign Trade Zone would be beneficial to their operations.

Analysis:

A Foreign Trade Zone is a geographical area located in the United States in or near a U.S. Customs port of entry, where foreign and domestic merchandise are considered a part of international commerce and not within U.S. Customs territory, merchandise may be brought into a foreign trade zone without formal U.S. Customs entry, without payment of Custom duties or excised taxes, and without being subject to import limitations or restrictions. If the final product is exported from the United States, the U.S. Customs duties are excise taxes are not levied. Materials imported are also exempt from ad valorem taxes if they are imported from outside the United States, held in a zone and then exported either in their original form or altered. A foreign trade zone or sub-zone may be established as an economic development incentive.

Foreign Trade Zones are not approved by municipalities; however, requesting property owners must receive a letter of support from all impacted taxing jurisdictions as part of their application process. Therefore, this letter of support is just one step in the application process for ATP Science.

Legal Review:

Agenda item did not require legal review.

Fiscal Impact:

N/A

Recommendation:

Community Development recommends approval.