



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: October 10, 2017

Reference: Consider approval of a Resolution approving a letter of support for the creation of a Foreign Trade Zone to be located at 1144 W. Bethel Road in Coppell, Texas, and authorizing the Mayor to sign.

2030: Business Prosperity

Executive Summary:

FedEx Trade Networks Transport & Brokerage, Inc. (FTN) is seeking to establish a Foreign Trade Zone site at its distribution facility located at 1144 W. Bethel Road. This letter of support is one step in FTN's application process with the U.S. Foreign-Trade Zones Board.

Introduction:

FedEx Trade Networks Transport & Brokerage, Inc. (FTN) has a distribution facility located at 1144 W. Bethel Road. FTN is a global air and ocean freight forwarder and customs brokerage firm. The company is pursuing Foreign Trade Zone (FTZ) designations at four of its airport-based U.S. distribution facilities so that it can offer FTZ services to its transportation and brokerage customers. The facility located at 1144 W. Bethel Road is one of the four facilities that they are seeking a FTZ usage-driven site.

Analysis:

Apple, Inc. and TCT Communication Technology are two of FTN's new customers that will be the users of the FTZ site in Coppell. Neither of these customers are currently using FTN's facility in Coppell because it does not have FTZ status. FTN does not own inventory, and all inventory owned by Apple, Inc. and TCT Communication Technology will be shipped from the facility within 12 hours on average. Therefore, the FTZ status will not have a negative impact on inventory tax because FTN does not currently pay any inventory tax. FTN will be able to attract new customers if the Coppell facility is designated a FTZ site, which will likely result in increased business personal property in the form of furniture, fixtures and equipment.

This letter of support from the City of Coppel is one step in FTN's application process with the U.S. Foreign Trade Zones Board.

Legal Review:

Agenda item did not require legal review.

Fiscal Impact:

N/A

Recommendation:

Economic Development recommends approval.