

**BOARD OF COUNTY COMMISSIONERS**  
**SARPY COUNTY, NEBRASKA**  
**RESOLUTION AUTHORIZING CHAIR TO SIGN LETTER SUPPORTING THE**  
**INCLUSION OF SARPY COUNTY WITHIN THE SERVICE AREA OF FOREIGN**  
**TRADE ZONE NO. 19**

WHEREAS, pursuant to Neb. Rev. Stat. §23-104(6) (Reissue 2007), the County has the power to do all acts in relation to the concerns of the county necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. §23-103 (Reissue 2007), the powers of the County as a body are exercised by the County Board; and,

WHEREAS, Sarpy County desires to be included within the proposed Service Area of Foreign Trade Zone No. 19, as sponsored by the Greater Omaha Chamber of Commerce and as administered by the United States Secretary of Commerce;

WHEREAS, Foreign-trade zones stimulate American economic growth and development and the inclusion of Sarpy County within a Foreign-Trade Zone is in the best interests of the citizens of Sarpy County.

NOW, THEREFORE, BE IT RESOLVED BY THE SARPY COUNTY BOARD OF COMMISSIONERS THAT the Chair is hereby authorized to sign the attached letter supporting the inclusion of Sarpy County within Service Area of Foreign-Trade Zone No. 19.

DATED this 23<sup>rd</sup> day of February, 2010.

Moved by Tom Richards seconded by Rich Jensen, that the above Resolution be adopted. Carried.

YEAS:

NAYS:

ABSENT:

<u>Rich Jensen</u>	<u>none</u>	<u>none</u>
<u>Rich Jensen</u>	_____	_____
<u>Tom Richards</u>	_____	ABSTAIN:
<u>Tom Richards</u>	_____	<u>none</u>
<u>Patrick J. Thomas</u>	_____	_____

Approved as to form:

Debra J. Vought  
County Clerk



Paul A. ...  
Deputy County Attorney

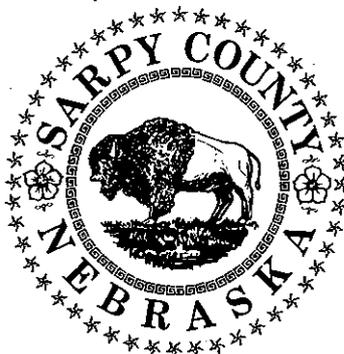
# Sarpy County Board of Commissioners

1210 GOLDEN GATE DRIVE  
PAPILLION, NE 68046-2895  
593-4155  
www.sarpy.com

ADMINISTRATOR  
Mark Wayne

DEPUTY ADMINISTRATOR  
Scott Bovick

FISCAL ADMIN./PURCHASING AGT.  
Brian Hanson



COMMISSIONERS	
<b>Rusty Hike</b>	District 1
<b>Joni Jones</b>	District 2
<b>Tom Richards</b>	District 3
<b>Pat Thomas</b>	District 4
<b>Rich Jansen</b>	District 5

## MEMO

February 23, 2010

TO: Sarpy County Board of Commissioners

FROM: Scott Bovick, Deputy County Administrator

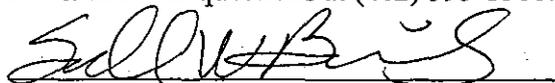
RE: Resolution to Authorize Chair to sign a letter to the Greater Omaha Economic Development Partnership (GOEDC) stating that the County wishes to be included in Foreign Trade Zone (FTZ) 19's service area.

Marisa Ring, Manager of International Business Development with the GOEDC is working with officials in Burt, Cass, Dodge, Douglas, Sarpy, Saunders and Washington Counties to expand the ability of companies in these counties to share in the benefits provided under FTZ 19. There is a new process available for companies to get Foreign Trade Zone designation, but it is only available after the County Board expresses its interest in being included in the Foreign Trade Zone service area.

I have included in your packet the following background information:

- Proposed Letter for County Board Chair's signature
- Memorandum from Marisa Ring
- Two-page explanation of Foreign Trade Zone Status
- Educational booklet on Foreign Trade Zone No. 19

Please feel free to contact Mark Wayne at (402) 593-2347 or me with questions at (402) 593-1568.

  
Scott Bovick, Deputy County Administrator

Cc: Deb Houghtaling  
Mark Wayne  
Mike Smith  
Brian Hanson

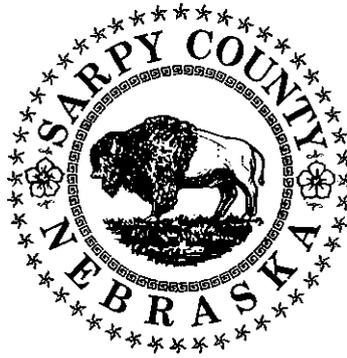
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## COMMISSIONERS

**Rusty Hike**  
District 1  
**Joni Jones**  
District 2  
**Tom Richards**  
District 3  
**Pat Thomas**  
District 4  
**Rich Jansen**  
District 5

February 23, 2010

Marissa Ring  
Greater Omaha Chamber of Commerce  
1301 Harney Street  
Omaha, NE 68102

RE: Foreign Trade Zone (FTZ) No. 19 Service Area

Dear Ms. Ring:

The purpose of this letter is to document the support of Sarpy County for inclusion within the Service Area of Foreign Trade Zone (FTZ) No. 19.

We understand that this means the grantee, the Greater Omaha Chamber of Commerce, will be able to apply to the Foreign-Trade Zones Board for authority to serve sites located within Sarpy County based on businesses trade-related needs. We also note that the zone will be made available on a uniform basis to companies within Sarpy County, in a manner consistent with the legal requirement that each FTZ be operated as a public utility.

Thank you for your leadership in providing this opportunity to existing and future businesses in Sarpy County.

Sincerely,

Joni Jones  
Chair  
Sarpy County Board of Commissioners

Cc: Deb Houghtaling  
Mark Wayne  
Mike Smith



## Memorandum

**To:** Sarpy County  
**From:** Marisa Ring, manager, International Business Development  
**Date:** February 1, 2010  
**Re:** Greater Omaha Foreign-Trade Zone No. 19

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Overview: As the Grantee organization for Foreign Trade Zone (FTZ) No. 19, the Greater Omaha Chamber hopes to change the structure of the FTZ to the Alternative Site Framework.

Definition: An FTZ is an area that is considered outside of the U.S. Customs and Border Protection territory. Duty on goods imported into the zone can be reduced, deferred or eliminated. FTZ 19 is located on 17 acres in the airport industrial park.

Current Structure: At present, any company wishing to have an FTZ designation at their facility must become a subzone. (A subzone is company-specific. FTZ 19 has one subzone, the Syngenta facility in Omaha.) The subzone application process takes 18 months to complete and can cost up to \$150,000.

Alternative Site Framework (ASF): The Foreign-Trade Zone's board has implemented a new option to streamline the process for a company to get FTZ designation. This is known as the Alternative Site Framework. This will allow new foreign-trade zone sites to be designated within thirty (30) days, with the concurrence of U.S. Customs and Border Protection. For a warehouse, the application(?) fees involved would be no more than \$10,000. Fees would be slightly higher for a manufacturing company. This streamlined provision would be available to companies located in FTZ 19's "service area."

Proposed Service Area: With the support of U.S. Customs and Border Protection, the Chamber is working with officials in Burt, Cass, Dodge, Douglas, Sarpy, Saunders and Washington counties. The Chamber is proposing that these counties make up the FTZ service area. This would allow any business located in this territory to be eligible for the ASF streamlined process.

Requested Action: As part of this process, the Grantee, the Greater Omaha Chamber, must receive a letter from each county stating that the county wishes to be included in the service area.



## FOREIGN-TRADE ZONE STATUS GREATER OMAHA CHAMBER OF COMMERCE

The Greater Omaha Chamber of Commerce is the Grantee Sponsor of Foreign-Trade Zone No. 19 in the State of Nebraska. This document is to provide you with information required to include your County within the foreign-trade zone service area.

The Foreign-Trade Zones Board, chaired by the Secretary of Commerce, administers the U.S. Foreign-Trade Zones program. U.S. Customs and Border Protection oversees day-to-day operations. Foreign-trade zones are restricted-access sites that are considered outside the U.S. Customs territory. Companies that operate in foreign-trade zones can defer, reduce, or eliminate Customs duties on foreign products admitted into zones for storage, exhibition, assembly, manufacture, and processing. Customs duties are not paid on products and materials exported from foreign-trade zones; they are paid only on products entered into U.S. Customs territory. Zone users may elect to pay the duty rate applicable to either the original foreign material or the finished product manufactured from the foreign material, whichever is lower. No duties are owed on scrap/waste. Zones provide the opportunity to reduce cycle time by expediting the receipt of foreign sourced material and filing summary entries only once per week. This makes many U.S. operations more cost-competitive with overseas operations.

Foreign-trade zones stimulate American economic growth and development because they encourage companies to continue and to expand their operations in the United States. Foreign-trade zones are located in all 50 states and Puerto Rico. Many well-known U.S. and multinational firms utilize the zone program as an import/export financial management tool.

The Foreign-Trade Zones Board has implemented a new option to streamline the process for a company to be added to a foreign-trade zone. This is known as the Alternative Site Framework. The Greater Omaha Chamber of Commerce is filing an Alternative Site Framework Application with the Foreign-Trade Zones Board. This will allow the addition of new foreign-trade zone sites for companies within thirty (30) days with the concurrence of U.S. Customs and Border Protection. This program was made available and announced by the Board in 74 *Federal Register* 1170 on January 12, 2009. The Alternative Site Framework is a Foreign-Trade Zones Board program that provides flexibility for organizations such as the Greater Omaha Chamber of Commerce to add new companies in its foreign-trade zone and streamline the process for information required for companies to apply for such a designation. This streamlined provision is available to any companies within the Greater Omaha Chamber of Commerce's "service area." In order to secure this streamlined foreign-trade zone

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OmahaChamber.org

1301 Harney St., Omaha, NE 68102 • 13206 Grover St., Omaha, NE 68144  
Phone: (402) 346-5000 • Fax: (402) 346-7050

designation for companies in your County, we must submit a service area concurrence letter to the Foreign-Trade Zones Board. A copy of this service area letter provided by the U.S. Department of Commerce is attached to this document.

A usage-drive site is a designation solely for a specific operator backed by its user and cannot be used for any other entity. It is designated to meet a specific operator/users present need for FTZ designation. A company that secures this designation must activate and utilize the foreign-trade zone within three years of the approval date. This is known as the "three year sunset limit." If a company does not activate and secure approval from U.S. Customs within that time frame, the designation from the Foreign-Trade Zones Board will disappear. This does not preclude a company from reapplying for the same designation in the future.

Please feel free to contact myself, or our outside counsel, Scott Taylor of Miller & Co., 816-561-4999, with any questions you may have.

Marisa Ring  
Manager, International Business Development  
Greater Omaha Chamber  
(402) 978-7940  
mring@omahachamber.org

GLOBAL ACCESS



# FOREIGN TRADE ZONE NO. 19





## Gain the competitive edge

Omaha, Nebraska's, Foreign Trade Zone (FTZ) No. 19 can give your company a competitive advantage when doing international business.

Located on more than 17 acres of land with 250,000 square feet of warehouse space, the FTZ is a secured area under the supervision of the United States Customs Department.

Defer duty payments on foreign goods stored here until the time they enter U.S. trading channels. There is no time limit on storing, processing, assembling, exhibiting or inspecting the imported goods. And, if the imported goods are later exported, you'll pay no customs duty.

Merchandise entered into the FTZ can be:

- Assembled
- Cleaned
- Destroyed
- Manipulated
- Manufactured
- Processed
- Relabeled
- Repackaged
- Repaired
- Salvaged
- Sampled
- Stored
- Tested

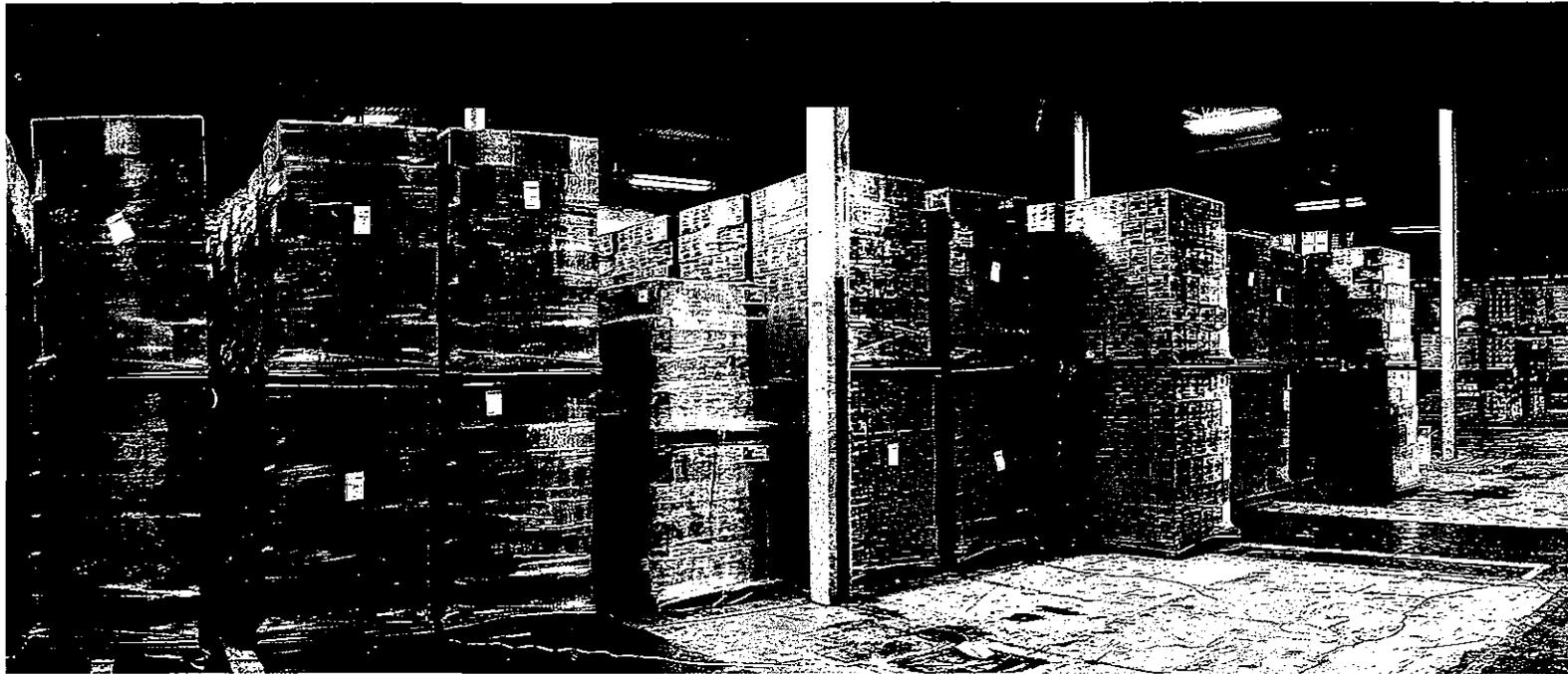
The facility offers a full range of amenities that make it easy to store, manage and move merchandise, including a unique container-loading platform that works with oversized and hard-to-pack cargo.

The warehouse is staffed with certified equipment handlers who use five lift trucks of various capacities with up to 30,000 pounds of lift capability. Customized programs and pricing accommodate every customer's 3PL needs. An integrated workshop is available to build customized crates and pallets for exceptional cargo.

The facility includes a multi-functional office space with up to 10,000 square feet for on-site use by our customers that includes alarms and sprinkler systems. The facility is on a gated lot, secured by digital cameras.

## Omaha Foreign Trade Zone No. 19

<b>FUNCTION</b>	<b>FOREIGN TRADE ZONE</b>
Customs entry	Customs entry is not required until goods are removed.
Permissible cargo	All merchandise – domestic or foreign.
Customs bonds	No bond required.
Payment of duties	Due only upon entry into U.S. territory.
Manufacture of goods	Permitted with duty payable at the time the goods leave the Zone for U.S. consumption. No duty on waste material or on value added in manufacturing. No duties paid on export goods.
Appraisal and classification	Tariff rate and value are determined at your discretion, either at the time of admission or when goods leave the Zone.
Storage periods	Unlimited.
Operations on merchandise for domestic consumption	Sort, destroy, clean, grade, mix with foreign or domestic goods, label, assemble, manufacture, exhibit, sell, repack.
Customs entry regulations	Only applies to goods removed for U.S. consumption.
Jurisdiction of other federal agencies	Application of regulations depends on products and agency involved.



## Compete more efficiently

### Cash Flow

Store your goods in the Zone until you receive an order and payment from your customer. By the time the standard 10-day duty payment period has passed, funds from your customer should have been received to make the payment. Not only is your initial cash flow less, you are not outlaying your own funds during the payment process.

*Example - Imported steel ball bearings*

Value per imported container:	\$250,000
Containers imported per year	12
Annual dollar volume	\$3,000,000
Duty rate	9.9%
Annual cash flow savings*	\$297,000

### Inverted Duty/Duty Reduction

If your company were importing the steel ball bearings mentioned above in order to manufacture transport motor vehicles, you can save with inverted duty. Steel ball bearings have a duty rate of 9.9 percent, while most agricultural equipment has a 2.5 percent duty rate. By using the FTZ, the 2.5 percent duty rate applies and results in significant savings.

*Example*

Annual dollar volume	\$3,000,000
Duty rate	9.9%
Annual duty paid	\$297,000
Annual duty paid if claimed as a finished good at	\$75,000
Savings with duty reduction*	\$222,000

### Weekly Entries

You can save more than 85 percent on the processing/entry fees required by customs, depending on how often goods are brought in. You pay fees just once a week, instead of daily. And, reduced paperwork and brokerage fees will also help your bottom line.

*Example*

125 entries per year at \$485	\$60,625 (without the FTZ)
52 entries (1 per week) at \$485	\$25,220 (with FTZ consolidated entries)
Annual FTZ weekly entry savings	\$35,405

### Defective or Damaged Goods and Waste

Reduce or eliminate duties on substandard, defective, damaged or obsolete goods and materials, as well as materials subject to waste or scrap, by testing the goods in the zone. You can send the goods back before they enter the U.S. or destroy them in the zone, eliminating the need for duty drawback.

*Example*

Total dutiable imported goods	\$5,000,000
Percentage damaged or defective	5%
Value of defective goods	\$250,000
Average duty rate	5%
Estimated annual savings*	\$12,500

*\*Actual savings determined by your current customs duties*



## Location, location, location

More than 55 million people, with an effective buying income approaching \$1 trillion, live within a 500-mile radius of Omaha. With a metro population of nearly 840,000 and 1.2 million within a 60 minute drive time, Greater Omaha is a multicultural metropolitan area with a strong business community and a diverse economic base that attracts companies and individuals from all over the world.

Located where Interstate 80 intersects with Interstate 29, Greater Omaha is at the crossroads for regional, national and NAFTA-related commerce. This makes it possible to reach the majority of U.S. destinations within two to three days by truck.

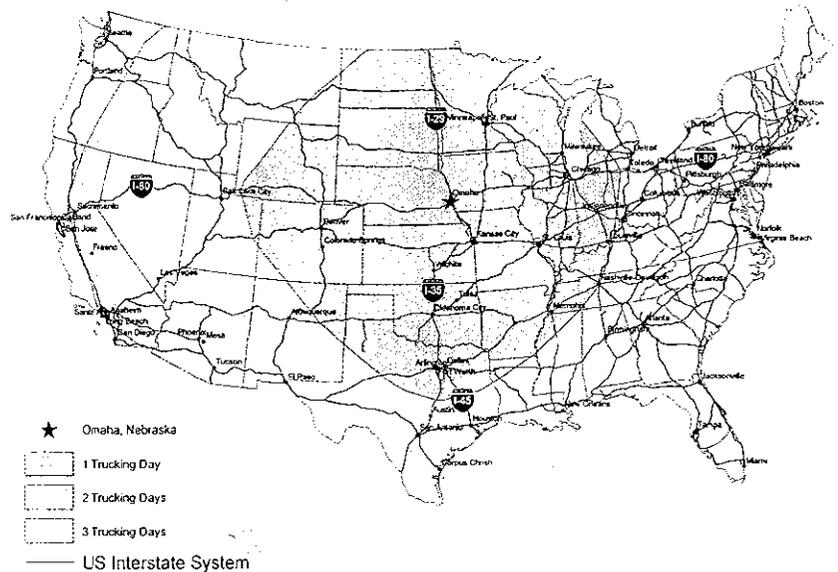
The nation's largest railroad company, Union Pacific Railroad, is headquartered in Omaha where the central location promotes efficient rail service and intermodal freight transportation to destinations across the U.S. and throughout North America. Other carriers operating in Omaha include Burlington Northern Santa Fe Railway and Canadian National Railway Company.

Located just minutes from downtown, Greater Omaha's Eppley Airfield is a major commercial airport that provides service to about 4.5 million people and transports approximately 125 million pounds of cargo. In addition, it offers the capacity for continued growth to meet increasing demands.

Greater Omaha is also served by several barge lines via the Missouri River. Six mainstream dams on the upper reaches of the Missouri River ensure adequate water for navigational purposes. River transportation is available March through November.

Additionally, Greater Omaha has a pro-business tax climate, a diversified, well-educated employment base, state-of-the-art communications capabilities, low operating expenses and a great quality of life. Tax incentives and customized job training programs are available.

## Truck transit times from Omaha, Neb.



## Omaha's market accessibility

CITY	AIRLINE MILES	TRANSIT DAYS	
		RAIL	TRUCKING
Atlanta	818	4	2
Chicago	409	1	1
Cleveland	737	2	2
Dallas - Ft. Worth	603	3	1
Denver	477	1	1
Detroit	647	2	2
Houston	809	3	2
Kansas City	150	1	1
Los Angeles	1326	2	2
Miami	1400	5	3
Minneapolis - St. Paul	326	1	1
New York	1148	3	2
Oklahoma City	414	2	1
Pittsburgh	839	3	2
Portland	1376	2	3
Salt Lake City	836	2	2
San Francisco	1445	3	3
Seattle	1347	2	3

**For additional information regarding FTZ benefits and the advantages of Greater Omaha's location, contact:**

Marisa Ring  
 Manager, International Business Development  
 Greater Omaha Economic Development Partnership  
 (402) 978-7940  
 mring@selectgreateromaha.com

**For specific rate or storage information, contact:**

Terry McMullen, President  
 Cargo Zone, LLC  
 (402) 457-7992, ext. 3318  
 terry@tlkoma.com



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