



**DALLAS COUNTY  
COMMISSIONERS COURT ADMINISTRATION  
DEPARTMENT OF PLANNING AND DEVELOPMENT**

October 31, 2006

TO: Commissioners Court

THROUGH: J. Allen Clemson, Administrator

FROM: Rick Loessberg, Director of Planning & Development *RL*

SUBJECT: Request to Expand Southport Foreign Trade Zone

**BACKGROUND**

In April, the Commissioners Court held a public hearing to help facilitate the creation of a foreign trade zone in the Lancaster-Wilmer-Hutchins-southeastern Dallas/Dallas County area. Since this meeting, major property owners in the area have developed a proposal by which the existing Southport foreign trade zone in Dallas would be expanded to include the aforementioned area. These property owners would now like to formally submit this proposal to DFW Airport which traditionally serves as the first level of review for all zone applications in the Dallas-Ft. Worth area before they are submitted to the federal FTZ Board. Since both the DFW Airport and the federal application processes take into account whether the proposed zone is supported by local taxing jurisdictions, the County and the area's other major taxing jurisdictions have been asked to formally endorse this proposal.

**DESCRIPTION OF FOREIGN TRADE ZONES**

There are currently approximately 150 active foreign trade zones (which are utilized by multiple businesses operating within them) and 250 active subzones (which are utilized by one specific company) in the U.S. About 2800 firms and 330,000 employees are located within these zones. To receive zone/subzone status, an application must be submitted to the federal FTZ Board by a state, city, county, or a special district. Factors used by the Board to evaluate an application include the proposed zone's impact on the local economy, the zone's consistency with U.S. trade policy, and as previously mentioned, whether the proposal is supported by the local taxing jurisdictions.

If a zone/subzone application is approved, the property within the zone is considered to be outside of the U.S. As a result, businesses located within these zones receive the following economic benefits:

- (1) They do not have to pay customs duties on damaged imports:

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**GOVERNMENT  
EXHIBIT**

**412**

**3:14-CR-293-M**

