



ALTERNATIVE SITE FRAMEWORK (ASF)

**ALLIANCE CORRIDOR, INC.
GRANTEE OF FTZ #196
STEVE BOECKING**

FOREIGN-TRADE ZONES (FTZ)

- “A Foreign-Trade Zone is a restricted-access site, in or adjacent to a Customs port of entry” Regulations of the FTZ Board (19 CFR Part 400)
- FTZ’s are considered “outside the US Customs Territory”
- Foreign and domestic merchandise can be stored or manufactured before formal Customs entry procedures
- FTZ’s are a trade program established by the US Congress in 1934 to create jobs and facilitate international trade in the US
- FTZ #196 is the #1 GP FTZ in the USA with \$4.6 bn processed

PART 400-REGULATIONS OF THE US FOREIGN-TRADE ZONES BOARD

§400.16 Exemption from state and local ad valorem taxation of tangible personal property.

Tangible personal property imported from outside the United States and held in a zone for the purpose of storage, sale, exhibition, repackaging, assembly, distribution, sorting, grading, cleaning, mixing, display, manufacturing, or processing, and tangible personal property produced in the United States and held in a zone for exportation, either in its original form or as altered by any of the above processes, **shall be exempt from state and local ad valorem taxation.**

Alternative Site Framework

Key Points

- **Improve importers' access to the benefits of FTZs:**
 - Minor Boundary Modifications (MBM) are now called Usage-Driven Sites (UDS)
 - UDS boundary approval is from the FTZB (DC)
 - Activation approval is from local CBP
 - Faster approval (30 days) provides a competitive advantage for economic development
- **FTZ 196 ASF approved by FTZB on 10/19/2010**

Challenge

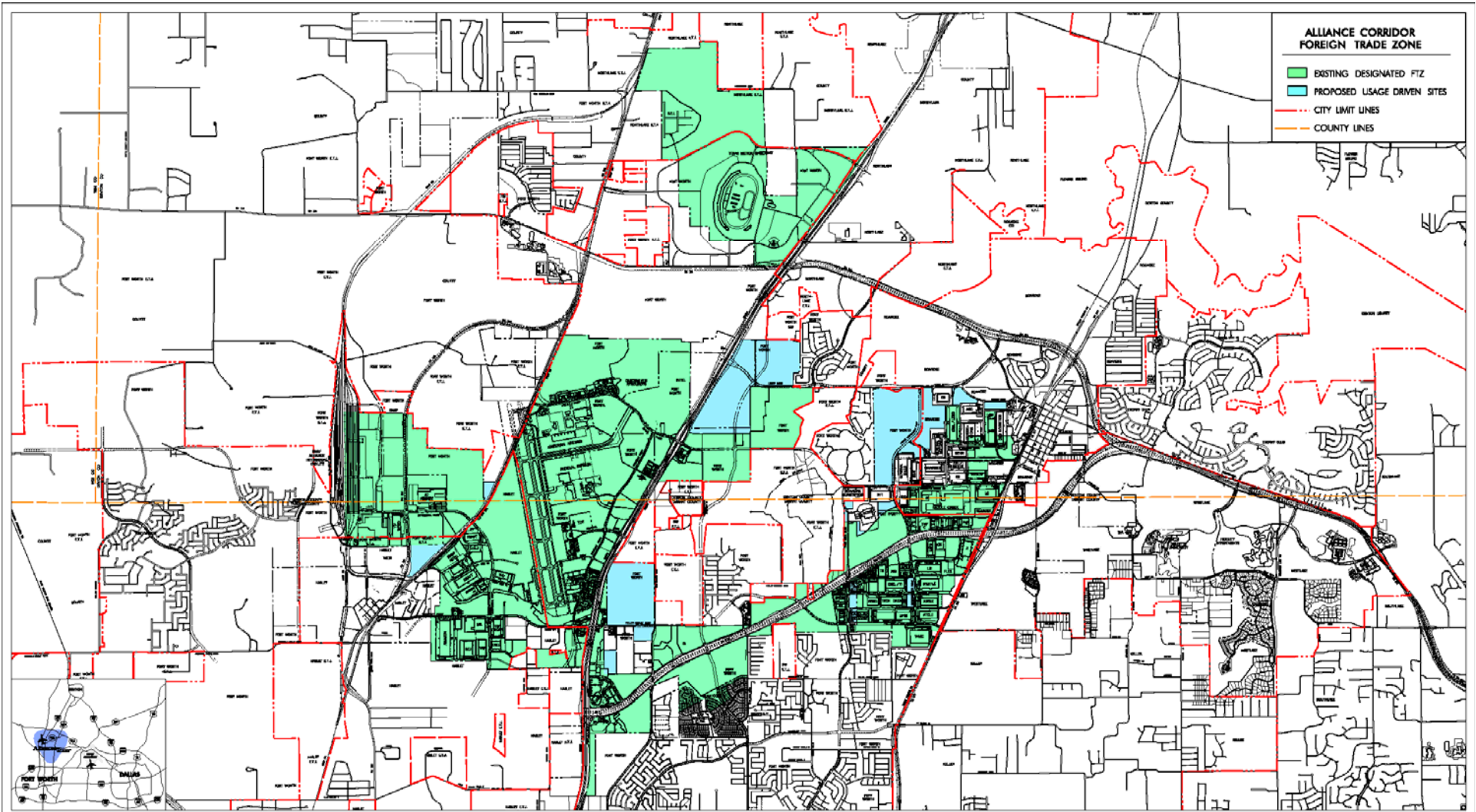
- Hillwood needs to open up some undeveloped land.
- This land was not included in the original FTZ plan of the 1990s.
- Long lead time to collect Letters of No Objection (LONO) from all the taxing entities...up to one year.
- This timeframe is unacceptable for the site selection process.

Solution

- The Foreign-Trade Zones Board (FTZB) has approved a plan to collect the LONOs in advance.
- Alliance Corridor, Inc could commit to a site selection prospect that we can have their FTZ application approved in 30 days.

Request

- Please issue a Letter of No Objection to cover the land under your jurisdiction according to the attached map.
- The LONO does NOT apply to existing occupants who are currently paying taxes.
- No existing tax base will be forfeited.
- The AllianceTexas undeveloped land will be more attractive to prospective companies considering relocation to this area.



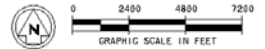
- ALLIANCE CORRIDOR
FOREIGN TRADE ZONE**
- EXISTING DESIGNATED FTZ
 - PROPOSED USAGE DRIVEN SITES
 - - - CITY LIMIT LINES
 - - - COUNTY LINES



FOREIGN TRADE ZONE #196



A DEVELOPMENT OF HILLWOOD
A PEROT COMPANY™



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LONO

Dear Mr. McGilvray, Executive Secretary FTZB:

(taxing entity) understands that Alliance Corridor, Inc., Grantee of Foreign Trade Zone #196, is applying for Usage Driven Sites for FTZ activation according to the attached map and that these locations are within our taxing jurisdiction.

(taxing entity) recognizes the importance of international trade in our community and supports this application. We are aware that when an application is approved, imported inventory and inventory held in a Foreign Trade Zone (FTZ) warehouse for export will be exempt from local ad valorem tax.

Sincerely,

(taxing entity)