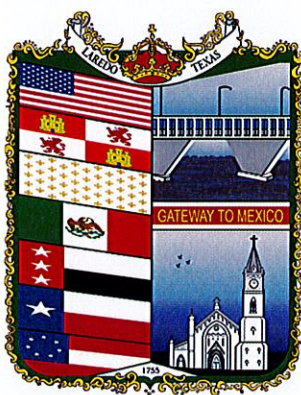


Foreign Trade Zone No. 94

City of Laredo, Texas



Minor Boundary Modification Application for:

Specialized Customs Services

1015 Santo Tomas Street

Laredo, Texas 78045

Alternative Site Framework

**APPLICATION FOR SUBZONE OR USAGE-DRIVEN
DESIGNATION ("MINOR BOUNDARY MODIFICATION")**

NOTE: This format is only for a Minor Boundary Modification (MBM) to propose a "Subzone" or "Usage-Driven" site(s) under the Alternative Site Framework (ASF).

INSTRUCTIONS

General: This format consists of a small number of questions to answer and, for ease of use, is provided as a MS Word document. The actual submitted request may take the form of a letter from the grantee requesting approval and answering each question listed below. Alternatively, the request may include a cover letter from the grantee identifying the specific Subzone/Usage-Driven site for which it is requesting approval and then a separate document answering the questions below. Leave each question in place (including its number) and provide your response directly below each question.

Subzone versus Usage-Driven Designation: Under the FTZ Board's regulations (§400.24(c)), a grantee can request designation of a site(s) as a subzone that qualifies for usage-driven status, where warranted by the circumstances and so long as the subzone activity remains subject to the activation limit for the zone in question. As with usage-driven sites, subzone sites designated under this process will be subject to the standard three-year sunset provision.

Sites versus Parcels: A "site" is comprised of one or more generally contiguous parcels of land organized and functioning as an integrated unit, such as all or part of an industrial park or airport facility. If parcels do not meet that definition, they must be treated as separate sites.

Submitted Request Must Be Complete: Submitted MBM requests must be complete – with the sole allowable exception of any comments from U.S. Customs and Border Protection (CBP), if necessary. Incomplete submitted requests or documents submitted separately will be returned to the sender. The FTZ Staff cannot assemble complete requests from individual elements submitted separately.

Number of Copies: Please submit the original and one electronic copy of the complete request (Adobe PDF format preferred; you may use MS Word format if you are unable to submit PDF). The electronic copy must include a color map(s) and scans of all signed letters.

Timing: Under the FTZ Board's regulations, the ordinary timeframe to process MBM requests is within 30 days of the FTZ Staff having received a complete request. Timing will depend on receipt of CBP's comments on the request.

Alternative Site Framework

**APPLICATION FOR SUBZONE OR USAGE-DRIVEN
DESIGNATION ("MINOR BOUNDARY MODIFICATION")****QUESTIONS**

1. Please mark the appropriate space below to indicate whether you are requesting "Subzone" or "Usage-Driven" designation for the proposed site(s):

_____ Subzone **X** **Usage-Driven**

2. List the address of the site(s), including the jurisdiction in which the site(s) falls (town, city, and county).

**1015 Santo Tomas Street
Laredo, Texas 78045**

The property is within the approved ASF area for Foreign Trade Zone No. 94, City of Laredo.

3. Explain how the proposed site(s) is within the grantee's approved ASF service area.

This site is located within Webb County, Texas.

4. State the proposed acreage of the site(s).

This site 4.0 acres.

5. Indicate the company for which the site(s) will be designated.

Specialized Customs Services, Inc.

6. Provide a summary of the company's planned activities.

This site will be used to store telecommunications and power generation equipment.

7. Indicate the current zoning and the existing and planned buildings (including square footage) for the site(s). (Note: Sites (or areas within a site) with inappropriate zoning – such as agricultural, retail, or residential – are not eligible for FTZ status and should not be proposed in any MBM request.)

The current zoning of this site is M1. M1 zoning is for warehouse/distribution and light manufacturing activities. This site is located in the Las Minas Industrial Park. The building on this site is 24,000 sq. ft. as shown on attached site layout.

8. Confirm that FTZ designation or the use of FTZ procedures is not a requirement or a precondition for future activity or construction at the site(s).

The proposed FTZ is neither a requirement nor a precondition for any future activity or construction for this site. We already have operations at this warehouse, this only furthers our ability to provide extra services to our clients.

9. List the owner(s). (If a site(s) is not owned by the grantee or the company planning to use the site(s) – as named in response to Question 5 above – then provide a "Right to Use" attachment with documentation demonstrating the right to use the site(s). Such evidence could be a signed letter from the proposed operator on its letterhead attesting to its right to use the property or a letter of concurrence from the owner of the proposed site(s).)

Zafiro Warehouse, Inc., owns the proposed site. Please see the attached letter confirming our right to use this property.

ATTACHMENTS

Attach the documents listed below (Items 10 and 11, plus Item 12 if applicable) directly behind the text of your request.

10. A clear and detailed site map showing existing and planned structures. The site boundaries must be outlined clearly **in red**. Note that if streets or similar landmarks are not legible on the site map, you will also need to provide a detailed street map with the proposed site's boundaries **in red**. Any map should be no larger than letter-sized (8 1/2" x 11") and clearly labeled, with legends provided for any markings.

Exhibit 2

11. Comments from U.S. Customs and Border Protection (CBP): The grantee generally should provide comments from CBP with the submitted request. Alternatively, the grantee may provide a copy of the request to CBP at the time the request is submitted to the FTZ Board, in which case the grantee should also communicate with CBP regarding the 20-day timeframe in the FTZ Board's regulations for CBP to provide comments to the FTZ Board.

Exhibit 3

12. If your state (such as TX, KY, AZ) has one or more taxes for which collections will be affected by the proposed FTZ designation of the new site(s), please attach all of the following:

- A. An explanation of the specific local taxes that will be affected;
- B. A stand-alone letter that:
 - Lists all of the affected taxing jurisdictions;
 - Includes a statement below the list certifying that this is a complete list of all taxing jurisdictions that would be affected by this particular request; and,
 - Is signed by an official of the grantee organization.
- C. Correspondence from the affected parties (such as a local school board) indicating their concurrence (or non-objection) regarding the proposed FTZ designation.

- **City of Laredo- Exhibit 1**
- **Webb County (collector of Laredo Community College and Road and Bridge) taxing district- Exhibit 4**
- **United Independent School District- Exhibit 5**
- **Correspondence of affected parties- Exhibit 6**



October 1, 2014

Timothy A. Franciscus
FTZ Operations Manager
City of Laredo

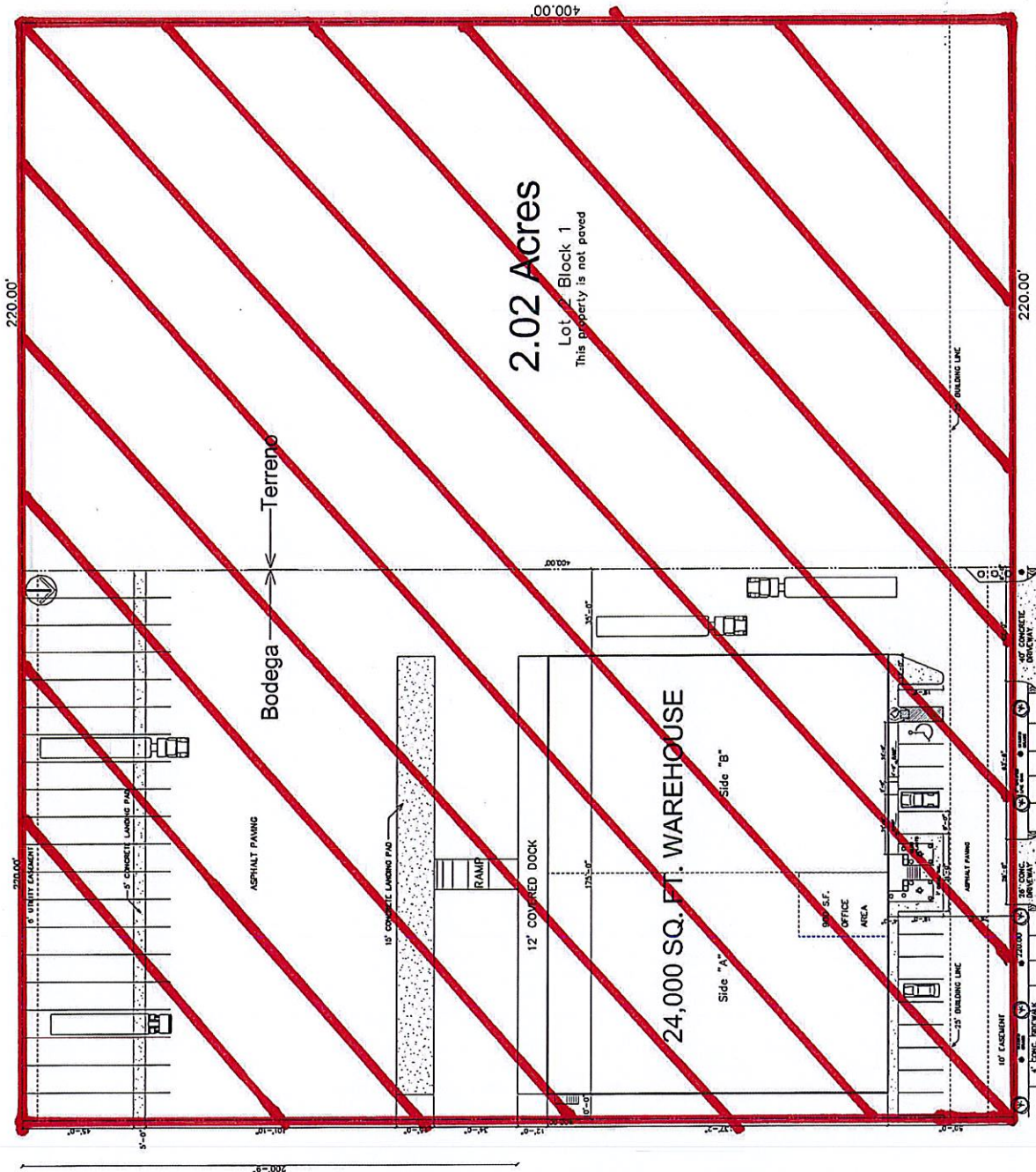
Mr. Franciscus

We are hereby respectfully requesting that the planned FTZ site for Specialized Customs Service, Inc. be allocated in the amount of 16,500 square feet of yard space. The proposed area lies within Webb County at 1015 Santo Tomas Street, Laredo Texas 78045. We have attached a site plan of the proposed area for your convenience.

Should you have any questions please feel free to contact me.

Regards,

Conrad Villarreal, LCB, CCS
V.P. of Border Operations and Compliance
Specialized Customs Services, Inc.



tabbles[®]
EXHIBIT
2

tabbles[®]
EXHIBIT
Agreement
A



CITY OF LAREDO

Office of the City Manager

November 12, 2014

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Ave., NW, Room 2111
Washington, D.C. 20230

Re: Minor Boundary Modification
Foreign-Trade Zone No. 94
Specialized Customs Services

Dear Mr. McGilvray:

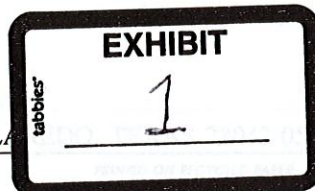
We hereby request expedited consideration of the following request for minor boundary modification under the FTZ No. 94 ASF approved application. The request is for a minor boundary modification of Foreign-Trade Zone No. 94-Site I for Specialized Customs Services located at 1015 St. Thomas Street, Laredo, Texas 78045.

The Foreign-Trade Zones Board granted authority to establish, operate and maintain Foreign-Trade Zone No. 94 at Laredo, Texas, by Board Order No. 235, issued November 22, 1983. The City of Laredo, Texas, Grantee Foreign-Trade Zone No. 94 had its application to be reorganized under the Alternate Site Framework approved by the Foreign Trade Zone Board through Board Order 1852 on August 29, 2012.

The City is aware of the effects this operation may have on the taxes generated within the City of Laredo. The benefits that Foreign Trade Zone operations bring to the City outweigh any potential loss of tax revenue as has been the case with the 20+ Foreign Trade Zone operators within the City limits.

In this regard, we respectfully request that the Executive Secretary administratively authorize this minor boundary modification for Specialized Customs located at 1015 St. Thomas Street, Webb County, Laredo, Texas.

Foreign-Trade Zone status is requested for this proposed site in order to increase trade opportunities for the existing international trade operations being conducted within the facility.



The tenant and customers of the existing facility are eager to take advantage of the benefits the foreign-trade zone program has to offer for purposes of distribution, both into and from Mexico.

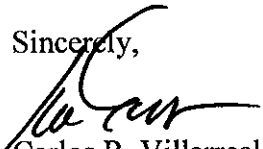
All activities within the proposed foreign-trade zone site will be controlled by the zone operator, Specialized Customs Services.

It should be noted that this request for a minor boundary modification is necessary to facilitate foreign-trade zone services in this area. The City of Laredo is cognizant that its zone project must be flexible in developing foreign trade zone locations which are of economic importance to the community and promote new jobs. As the City of Laredo continues to be the leader in the international trade sector of import/export activity and as the volume of truck and rail transportation increases within the City, this proposed FTZ designation will complement the major improvements on the Mines Road which will distribute the traffic congestion from the central city in direct proximity to the World Trade Bridge.

The proposed minor boundary modification does not incorporate the authorization for manufacturing activity under zone procedures. A letter of concurrence from the U.S. Customs Service is attached in the application packet supporting Customs and Border Protection favorable stance for the proposed minor boundary modification to the Foreign-Trade Zones Board.

If you have any questions concerning this request or if additional information is required for expedited consideration, please do not hesitate to call Mr. Timothy Franciscus-Timm, Marketing Manager, at the Laredo International Airport at (956) 795-2000.

Sincerely,



Carlos R. Villarreal
City Manager

xc: Jose L. Flores, Airport Manager
Timothy Franciscus-Timm, Airport Marketing Manager
Juan de Dios Gonzalez, II C.H.B, Specialized Customs Services
Joseph Misenhelter, Jr, CBP Port Director



October 1, 2014

Timothy A. Franciscus
FTZ Operations Manager
City of Laredo

Mr. Franciscus,

This letter is to serve as evidence that our company Specialized Customs Services, Inc. has permission and the right to utilize all space and facilities located at the proposed FTZ location at 1015 Santo Tomas, Laredo Texas 78045. This permission has been granted to our company through a lease agreement with the landlord of the property Zafiro Warehouse, Inc. and the Tenant TEI Specialized Trailer Leasing, Inc. Commencing on the 23rd day of September 2014 and ending on the 30th day of April 2017.

Should you have any questions feel free to contact me.

Regards,

Conrad Villarreal III, LCB, CCS
V.P. of Border Operations and Compliance
Specialized Customs Services, Inc.



**U.S. Customs and
Border Protection**

October 31, 2014

Office of the City Manager
Carlos Villarreal
1110 Houston Street
PO Box 579
Laredo, Texas 78042-0579

Dear Mr. Villarreal:

In reference to an e-mail sent on your behalf by Timothy Franciscus-Timm requesting a Minor Boundary Modification of the existing Foreign Trade Zone No. 94 located in Laredo, Texas, the Port Director, Customs and Border Protection (CBP), Port of Laredo, concurs with the request as noted in your documentation. The (Minor) Boundary Modification will not pose any significant enforcement challenges and will enhance utilization of Foreign Trade Zone No. 94 which is managed by the City of Laredo.

CBP Officers conducted a pre-site inspection of the requested site for Specialized Customs Service, Inc. located at 1015 Santo Tomas Street and determined that the site meets all security standards. When the application to activate this zone is received, CBP Officers will conduct a final survey of this facility to ensure security, suitability and fitness of the facility to receive merchandise in a zone status as per 19 CFR 146.6(c)(2).

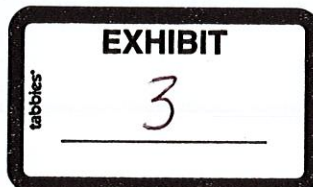
Please do not hesitate to contact my staff if you require additional information or have any questions.

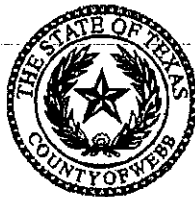
Sincerely,

A handwritten signature in blue ink that reads "Jose A. Misenhelter for".

Joseph Misenhelter
Acting Port Director
US Customs and Border Protection

CC: Jose Luis Flores, Airport Manager
Timothy Franciscus-Timm, Marketing Manager





DANNY VALDEZ
WEBB COUNTY JUDGE

October 31, 2014

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Ave., NW, Room 2111
Washington, DC 20230

RE: Foreign-Trade Zone No. 94
Minor Boundary Modification –Specialized Customs Service, Inc.

Dear Mr. McGilvray:

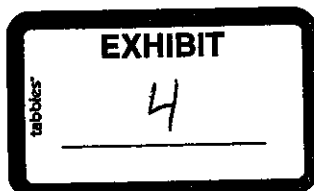
The County of Webb understands that the City of Laredo, Texas is requesting a Minor Boundary Modification within Foreign-Trade Zone No. 94 in Laredo, Texas. Specialized Customs Service, Inc., located at 1015 Santo Tomas Street, Laredo, Texas is located within Webb County's Taxing Jurisdiction.

The Webb County recognizes the increasing importance of International trade in our community and supports this request. We are aware that imported inventory and inventory held in the Foreign-Trade Zone for export will be exempt from local and valorem taxes when the modification is approved. Our Taxing jurisdiction includes taxes for Webb County Road and Bridge as well as the Laredo Community College.

Sincerely,

A handwritten signature in cursive script that reads "Danny Valdez".

Honorable Danny Valdez
County Judge





Roberto J. Santos
Superintendent

November 3, 2014

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Ave., NW, Room 2111
Washington, DC 20230

RE: Foreign-Trade Zone No. 94, Request for Minor Boundary Modification

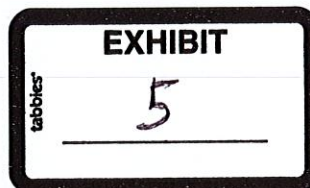
Dear Mr. McGilvray:

United Independent School District understands that Specialized Customs Service, Inc. is requesting a Minor Boundary Modification of Foreign-Trade Zone No. 94 in Laredo, Texas. The property of 1015 Santo Tomas street, Laredo, TX, 78045, is located within the United Independent School District's taxing jurisdiction.

The United Independent School District recognizes the increasing importance of international trade in our community and supports this request. We are aware that imported inventory and inventory held in the Foreign-Trade Zone for export will be exempt from local ad valorem taxes when the modification is approved.

Sincerely,

Eduardo Zuniga, CPA
Associate Superintendent
Student Support Services



Eduardo Zuniga, CPA

Associate Superintendent for Student Support Services

201 Lindenwood Drive Laredo, Texas 78045 Phone (956)473-6474 Fax (956)473-6476



CITY OF LAREDO

LAREDO INTERNATIONAL AIRPORT
*2009 FAA Southwest Region Safety
Award*

November 12, 2014

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Ave., NW, Room 2111
Washington, D.C. 20230

Re: Minor Boundary Modification
Foreign-Trade Zone No. 94
Specialized Customs Services

Dear Mr. McGilvray:

As Grantee of Foreign Trade Zone #94, I hereby request your consideration of a minor boundary modification for Specialized Customs Services, located within the city limits of Laredo, Texas.

A following is a list of the affected taxing jurisdictions for the property under consideration located at 1015 Santo Thomas Street, TX 78045.

City of Laredo (see exhibit 1)
United Independent School District (see exhibit 5)
Webb County (see exhibit 4)
Laredo Community College
Road & Bridge

I hereby certify that the above are a complete list of the taxing jurisdictions that may be affected by this request for Specialized Customs Services.

Kindest regards,

Jose L. Flores
Airport Manager

