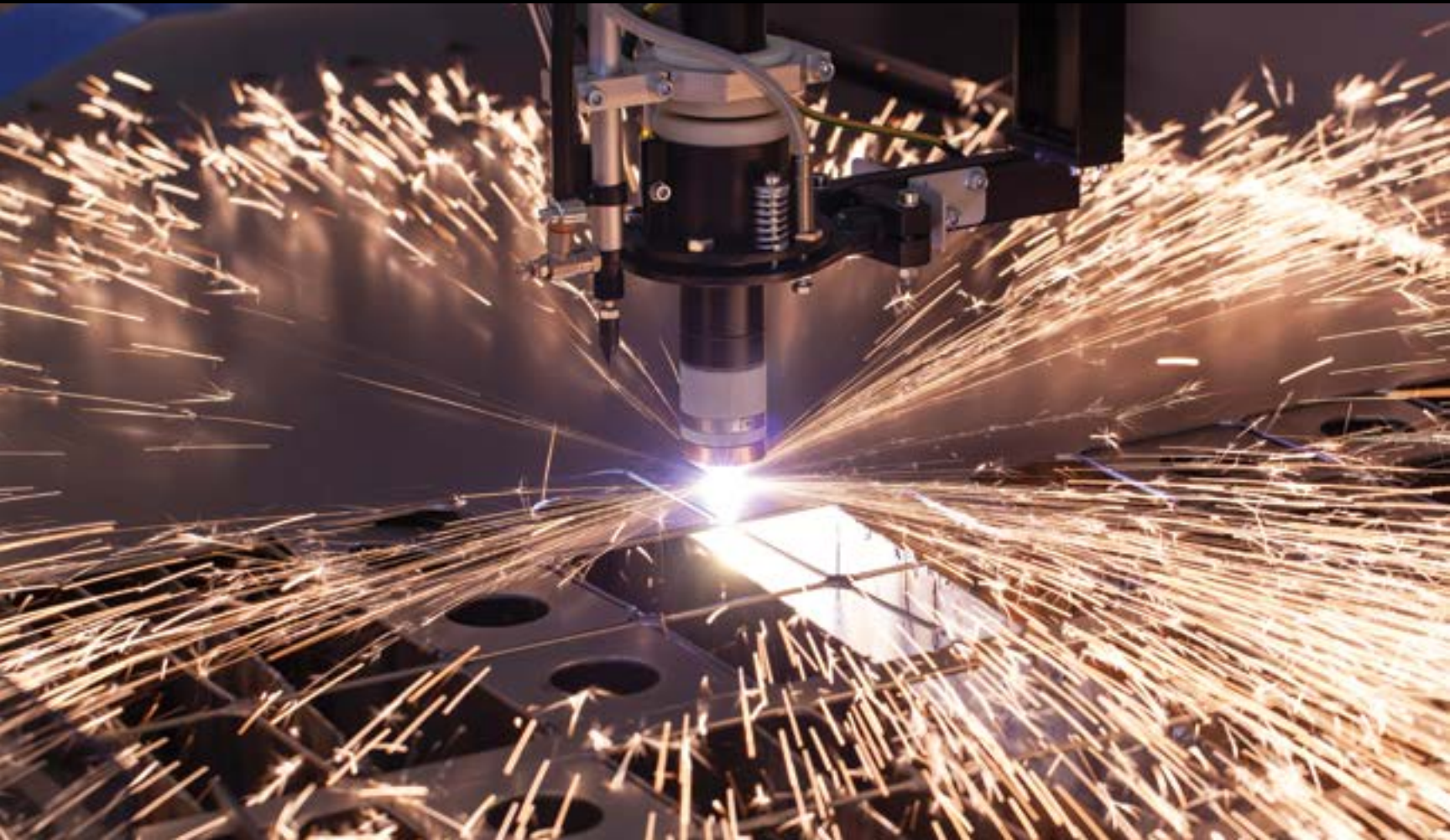


# GMFTZ

GREATER MARICOPA FOREIGN TRADE ZONE #277



*"GMFTZ is one of the fastest growing FTZs in the western USA. With its organization as a regional Zone including 13 cities, it is a model of what an FTZ should be."*

*Arthur B. Othon, President & CEO, GMFTZ*

**GMFTZ.ORG**

# FOREIGN TRADE ZONES

## WHAT IS A FOREIGN TRADE ZONE (FTZ)?

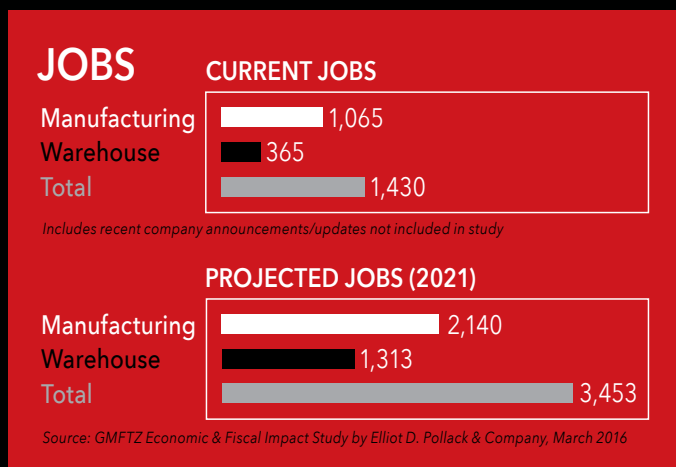
An FTZ is an area that, for U.S. Customs purposes, is considered to be in international commerce. Any foreign or domestic material can be moved into an FTZ without being subject to U.S. Customs duties. A Zone is operated as a public venture sponsored by a municipality or other authority.

## WHY DO COMMUNITIES SPONSOR/DEVELOP FOREIGN TRADE ZONES?

Local communities benefit from the increased economic development and business development/retention that result from Zone projects. FTZs provide an attractive business climate and encourage foreign and domestic companies to expand and retain operations in the U.S. that may otherwise be relocated overseas. The result is more jobs in the region.

## FOREIGN TRADE ZONE NO. 277

On December 22, 2010 the Foreign Trade Zones Board issued a Grant of Authority under Board Order No. 1733 to establish Foreign Trade Zone (FTZ or Zone) No. 277 to serve Western Maricopa County and designated GMFTZ as the Grantee of the Zone. Since that time, the zone has spurred investment in infrastructure, speculative industrial buildings and attracted more than 1,400 new jobs and \$448 million in capital investment.



# WHY DO COMPANIES USE FTZs?

Companies utilize FTZs in order to reduce operating costs associated with a U.S. location that can be avoided when operating from a foreign site. In Arizona, real and personal property taxes may also be reduced by 72%. These benefits allow firms to be cost competitive at their U.S. based operations.

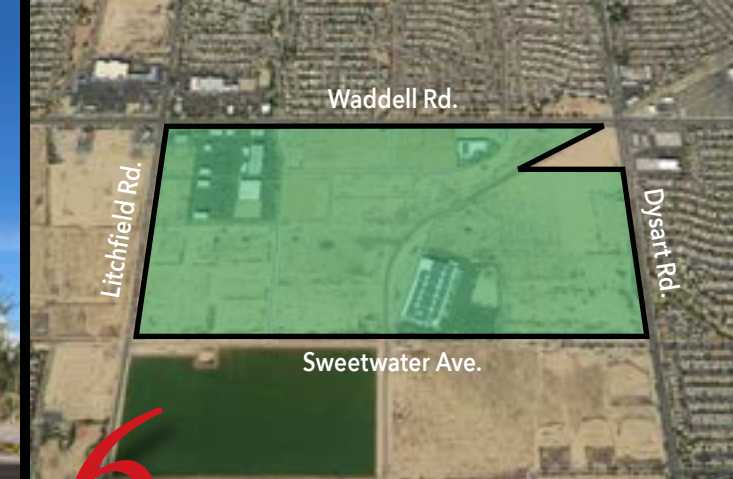
## 5 REASONS COMPANIES USE FTZs

- 1 IMPROVE CASH FLOW**
  - Import duties are deferred until goods leave Zone.
  - Re-exported goods which never enter U.S. Commerce are not subject to duties.
  - No duty is paid on scrap, waste, or damaged goods.
  - Company can use the duty dollars during the time the goods are in the FTZ.
  - The final duty rate paid is that of the component, part or the finished article, whichever is lowest.
  - Products transferred from zone to zone are duty free.
  - Weekly entry process reduces merchandise processing fees.
- 2 REDUCE PAPERWORK AND EXPENSES**
  - For distribution and manufacturing, companies may consolidate multiple customs entries into one per week.
  - This process reduces customs brokerage costs and merchandise.
- 3 REDUCES ARIZONA REAL AND PERSONAL PROPERTY TAXES BY 72%**
  - Activated companies meeting federal and local eligibility requirements can benefit from a 5% assessment ratio (reduced from 18%) on new investment in personal and real property.
- 4 SECURITY**
  - The top priority of United States Customs and Border Protection (USCBP), is security. As an Activated FTZ, operators enjoy the highest level of security as an importer.
  - Discounted cargo insurance rates (up to 40% less) have been negotiated.
- 5 REDUCE SUPPLY CHAIN TIME**
  - FTZs can eliminate delays related to U.S. Customs clearances. Special direct delivery procedures can be requested to expedite the receipt of merchandise in company facilities, reducing the inventory cycle time.

*"As the first site activated in Zone 277 in 2011, Sub-Zero experienced significant savings from the Real and Personal Property Tax reductions. Our facility has grown consistently in the past five years and reached capacity which has led to a facility expansion scheduled for completion in October 2016."*

*Ron Jones, Plant Manager Sub-Zero, Inc.*





**1** EXPANSION UNDER CONSTRUCTION

**2**

**3**

**4** UNDER CONSTRUCTION

**5**

**6**

**7**

**Sub-Zero, Inc.** GMFTZ #9  
4295 S. Cotton Lane, Goodyear  
37.74 ACRES USER-DRIVEN SITE

**IRIS USA, Inc.** GMFTZ #12  
13423 W. Cactus Rd., Surprise  
30.1 ACRES USER-DRIVEN SITE

**Maxwell Technologies, Inc.** GMFTZ #10  
8644 W. Ludlow Drive, Peoria  
2.62 ACRES USER-DRIVEN SITE

**Airport Gateway at Goodyear** GMFTZ #1  
Van Buren St./Bullard Ave., Goodyear  
Includes Michael Lewis Co. on 30 acres  
230.25 ACRES MAGNET SITE

**PV303 Industrial Park** GMFTZ #3  
Loop 303, Goodyear  
Includes Dick's Sporting Goods on 53.75 acres  
196.78 ACRES MAGNET SITE

**Surprise Point** GMFTZ #2  
Waddell Rd./Litchfield Rd., Surprise  
133.01 ACRES MAGNET SITE

**Goodyear Crossing Industrial Park** GMFTZ #5  
16885 W. Commerce Drive, Goodyear  
198 ACRES MAGNET SITE

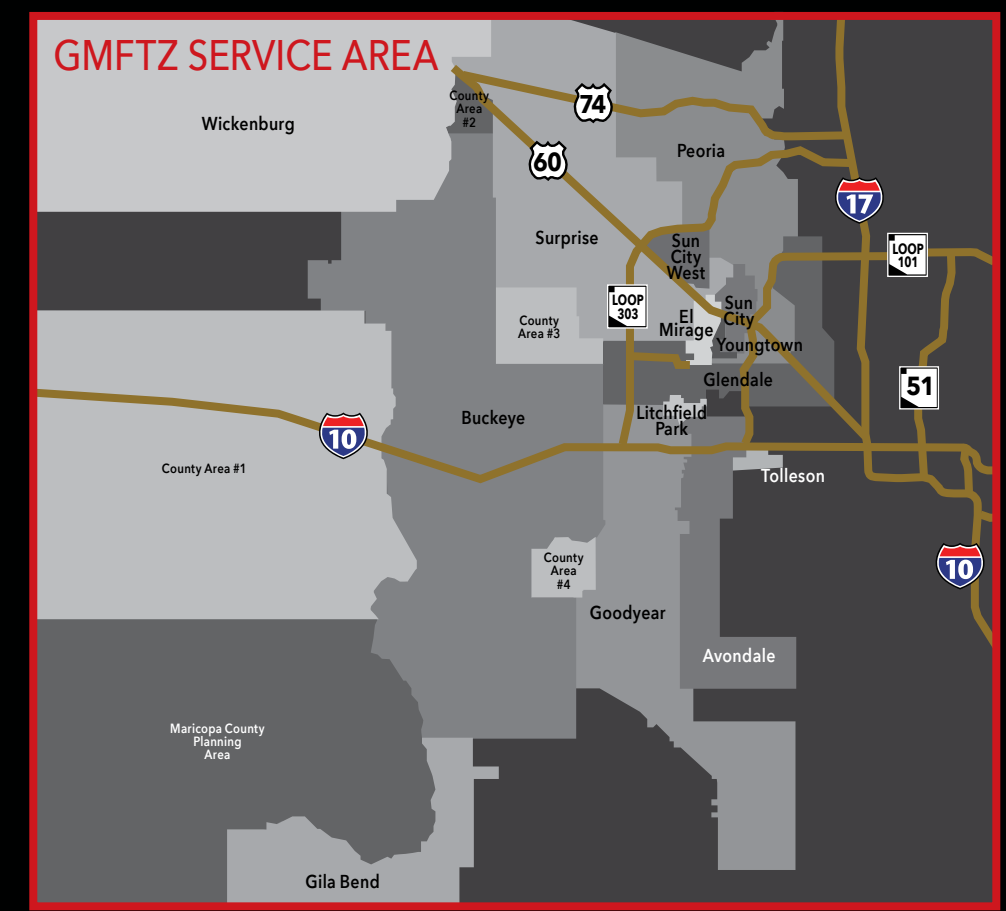
# GMFTZ SITES

FTZ No. 277 is organized under the Alternative Site Framework (ASF). Under this framework, there are two types of sites: Magnet Sites and User-Driven Sites. Magnet Sites are sites that are pre-approved for future zone users. Future Magnet Sites may be added inside the FTZ No. 277 service area if approved by the U.S. Foreign Trade Zones Board. User-Driven Sites are sites that can be designated at any location within the Western part of Maricopa County with a qualified user using the fast-track process that takes 30 days for federal approval.

- MAGNET SITE
- USER-DRIVEN SITE
- SPEC BUILDING
- ▲ N



[GMFTZ.ORG](http://GMFTZ.ORG)



**8**

**9**

**10**

**11**

**12**

**13**

**14**

**Schoeller Allibert, Inc.** GMFTZ #6  
4320 S. Cotton Lane, Goodyear  
3.53 ACRES USER-DRIVEN SITE

**Buckeye Industrial Park** GMFTZ #7  
Turner Rd./Baseline Rd., Buckeye  
185 ACRES MAGNET SITE

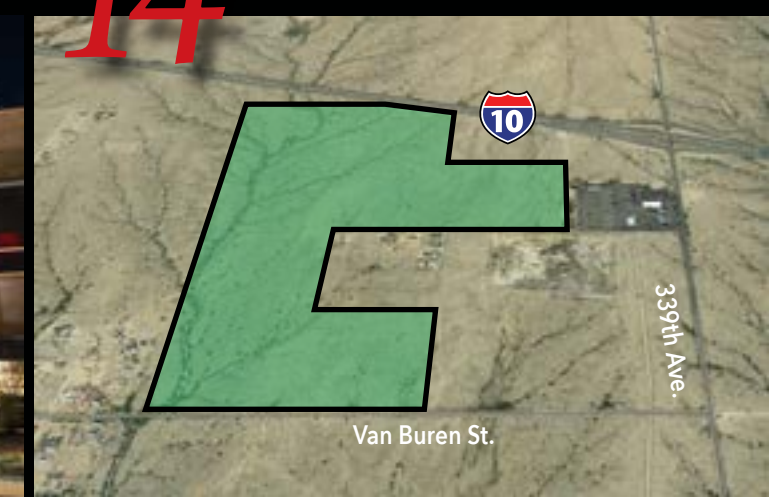
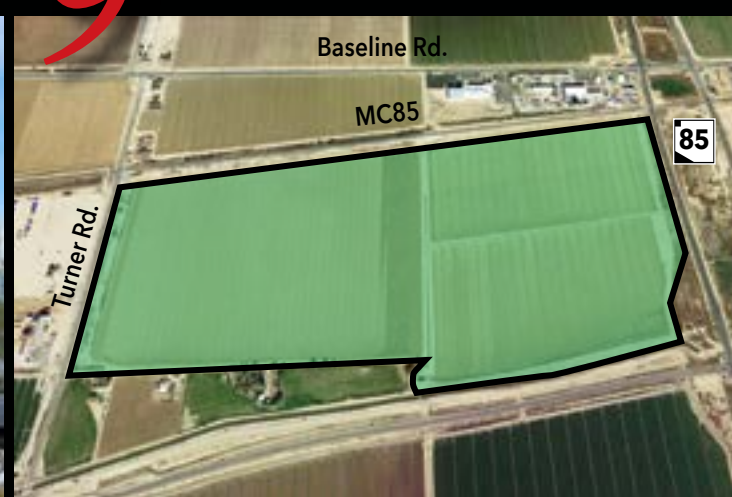
**Conn's, Inc.** GMFTZ #8  
100 N. 127th Ave., Avondale  
600,000 SQ. FT. SPEC/USER-DRIVEN SITE

**PV303 Industrial Park** GMFTZ #3  
Indian School Rd./Loop 303  
616,818 SQ. FT. SPEC/MAGNET SITE

**The CornellCookson Company** GMFTZ #11  
1901 S. Litchfield Rd., Goodyear  
14.5 ACRES USER-DRIVEN SITE

**REI (Recreational Equipment, Inc.)** GMFTZ #13  
Loop 303/Camelback Rd., Goodyear  
34 ACRES USER-DRIVEN SITE

**10 West Arizona Logistics Hub** GMFTZ #4  
339th Ave./I-10, Buckeye  
319.84 ACRES MAGNET SITE





## FOREIGN TRADE ZONE NO. 277

Elliott D. Pollack and Company was retained by GMFTZ to perform an economic and fiscal impact analysis of the ongoing operations of new businesses locating in the FTZ 277. The analysis considered the impact of these companies over a 10-year time-frame starting in 2012 through 2021. The goal of GMFTZ 277 is to enhance economic development in the West Valley. The Zone sites are located in various cities throughout the West Valley with the potential for additional sites in the future. To date, over \$448 million of capital investment has been made by eight companies creating over 1,400 West Valley jobs. An additional 1,500 jobs are projected over the next six years. These figures are exclusive of the jobs that are created as a result of new construction as well as the jobs that are created from the additional ripple effects throughout the economy. The tables below are inclusive of these additional economic impacts.

### ECONOMIC IMPACT

#### Construction - Total Over 10 Years

	Employed	Wages	Economic Output
Direct	1,936 years	\$130,618,000	\$288,615,972
Indirect	412 years	24,814,000	71,411,000
Induced	1,057 years	47,776,000	143,954,000
<b>Total</b>	<b>3,404 years</b>	<b>\$203,208,000</b>	<b>\$503,980,972</b>

#### Operations - Annual at Buildout

	Jobs	Wages	Economic Output
Direct	2,478	\$106,952,970	\$528,096,898
Indirect	1,191	63,147,000	195,896,000
Induced	1,157	52,293,000	157,567,000
<b>Total</b>	<b>4,825</b>	<b>\$222,392,970</b>	<b>\$881,559,898</b>

Sources: Elliott D. Pollack & Co.; IMS Worldwide, Inc.; IMPLAN

### PUBLIC FISCAL IMPACT

#### GMFTZ Fiscal Impact - Total Over 10 Years

	Construction/FF&E	Operations	Total
State	\$18,987,100	\$62,891,900	\$ 81,879,000
County	2,197,700	8,329,600	10,527,300
City	4,452,700	6,719,200	11,171,900
School	N/A	4,798,000	4,798,000
<b>Total</b>	<b>\$25,637,500</b>	<b>\$82,738,700</b>	<b>\$108,376,200</b>

Figures at stabilized operating levels. Source: Elliott D. Pollack & Co.

*"The Greater Maricopa Foreign Trade Zone made the local and federal approval process simple for our new headquarters in the West Valley."*  
Chet Keizer, President IRIS USA, Inc.

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El Bravo Sky Harbor LLC  
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Zone Technical Marketing Consultant  
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**IMS Operating Services, Inc.**  
*Foreign Trade Zone Operations and Services*

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GMFTZ established December, 2010  
5-Year Annual Report, May 2016