

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-7

Urgent

Routine

OK

AGENDA DATE June 7, 2011

CEO Concur with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval of Application for the Reorganization of Foreign Trade Zone No. 226 for the San Joaquin Valley Counties including Mariposa, Tulare, Kings, Merced, Fresno, Madera and Stanislaus For a Change in the Designated Area For Relief of Customs Duties or Government Excise Taxes

STAFF RECOMMENDATIONS:

1. Approve the Application for the Reorganization of Foreign Trade Zone No. 226.
2. Authorize the Chairman of the Board to sign a letter of support for the Application for the Reorganization of Foreign Trade Zone No. 226.

FISCAL IMPACT:

There are no fiscal impacts associated with this item. The current Foreign Trade Zone No. 226 includes Stanislaus County in its entirety and is available to local businesses/companies to activate within the service area under the Zone No. 226 status. There is no change to Stanislaus County's status with the Application for the Reorganization.

BOARD ACTION AS FOLLOWS:

No. 2011-336

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of Application for the Reorganization of Foreign Trade Zone No. 226 for the San Joaquin Valley Counties including Mariposa, Tulare, Kings, Merced, Fresno, Madera and Stanislaus For a Change in the Designated Area For Relief of Customs Duties or Government Excise Taxes

DISCUSSION:

Foreign Trade Zones

A U.S. Foreign Trade Zone (FTZ) is a designated area which, for custom purposes, is considered outside the United States.

Foreign or domestic merchandise may enter this enclave without a formal customs entry or the payment of customs duties or government excise taxes. If the final product is exported from the United States, no U.S. customs duty or tax is levied. If, however, the final product is imported into the U.S., customs duty and excise taxes are due only at the time of transfer from the FTZ and into the U.S. Thus, zones provide opportunities to realize customs duty savings by zone users.

There are two types of zone sites: general purpose sites and subzones. A general purpose site is usually run by an operator with multiple users. A subzone is a special-purpose site for operations such as manufacturing, which cannot be accommodated within an existing zone. In a subzone, the operator and user are usually the same entity.

Foreign Trade Zone No. 226

The Board of Supervisors of the County of Merced is the regional Grantee of Foreign Trade Zone No. 226. The seven counties served by Zone No. 226 include Stanislaus, Merced, Mariposa, Madera, Fresno, Kings and Tulare. Zone No. 226 was granted authority on December 22, 1997. As originally developed, Foreign Trade Zone No. 226 encompasses +/- 2,345 acres.

Also at inception, the San Joaquin Valley Foreign Trade Zone Advisory Board was established to provide the Merced County Board of Supervisors (Grantee) with guidance, insight, and direction on the balance of efforts provided by the Grantee to ensure Federally mandated marketing, support and administrative services were equitably applied to the seven participating counties. Current members of the Advisory Board include: Supervisor Janet Bibby, Mariposa County, Supervisor Mike Ennis, Tulare County, Supervisor Doug Verboon, Kings County, Supervisor Linn Davis, Merced County, Supervisor Susan Anderson, Fresno County, Supervisor Doug Rogers, Madera County, and Supervisor Jim DeMartini, Stanislaus County.

Application for Reorganization/Alternative Site Framework

The reorganization of Foreign Trade Zone No. 226 under the Alternative Site Framework program is expected to serve trade related needs by providing greater efficiency and flexibility in serving prospective users at the speed of business. The Application defines the service area, removes sites and modifies sites by reducing acreage (Attachment A). No increase in acreage has been requested. The reorganization is expected to create more opportunities for companies in the Zone No. 226 service area to activate under Foreign Trade Zone status.

Approval of Application for the Reorganization of Foreign Trade Zone No. 226 for the San Joaquin Valley Counties including Mariposa, Tulare, Kings, Merced, Fresno, Madera and Stanislaus For a Change in the Designated Area For Relief of Customs Duties or Government Excise Taxes

Specifically, the reorganization of the Foreign Trade Zone No. 226 will redefine the service area for the seven participating counties, remove sites (and associated acreage) in Merced County, Madera County, Fresno County and Tulare County and decrease the acreage of a site in Merced County. The total net impact of these changes is a net reduction of acreage for identified sites in the Zone of +/- 766 acres. The proposed total acreage through the reorganization for Foreign Trade Zone No. 226 would then be +/- 1,579.

There are currently no identified zone sites in Stanislaus County although the option for a local business/company to activate within the service area under the Zone No. 226 status is available. A U.S. Customs and Border Protection (CBP) restriction is that a specific zone site must be within 60 miles or 90 minutes from the boundary of the Fresno Port of Entry as determined by CBP. A company interested in establishing an approved zone site would work directly with the Zone Grantee (Merced County) and CBP for Zone No. 226 activation.

On December 8, 2010, the Foreign Trade Zone No. 226 Advisory Board took action to recommend approval to the Merced County Board of Supervisors of the resolution authorizing the Grantee Chairman to sign the FTZ No. 226 Reorganization Application letter and also recommended directing staff to submit the application to the U.S. Foreign Trade Zones Board. On December 14, 2010, the Merced County Board of Supervisors took action to approve the resolution and submit the formal application. The Application for the Reorganization of Foreign Trade Zone No. 226 was submitted in January 2011. As part of the U.S. Foreign Trade Zones Board review of the application, they have requested individual letters from appropriate County officials acknowledging the proposed inclusion of their counties in the service area of FTZ No. 226 (Attachment B).

POLICY ISSUES:

Approval of staff's recommendation supports the Board Priorities of A Strong Local Economy and Effective Partnerships by continuing to provide local businesses/companies the opportunity to activate under Foreign Trade Zone No. 226 through this regional collaboration.

STAFFING IMPACT:

There are no staffing impacts associated with this item.

CONTACT PERSON:

Monica Nino, Assistant Executive Officer, 209.525.6333



BOARD OF SUPERVISORS

William O'Brien, 1st District
Vito Chiesa, 2nd District
Terry Withrow, 3rd District
Dick Monteith, 4th District
Jim DeMartini, 5th District

1010 10th Street, Suite 6500
Modesto, CA 95354
Phone: 209.525.4494 Fax: 209.525.4410

June 7, 2011

John Pedrozo, Chairman
Merced County Board of Supervisors
2222 M Street
Merced, CA 95340

Dear Chairman Pedrozo

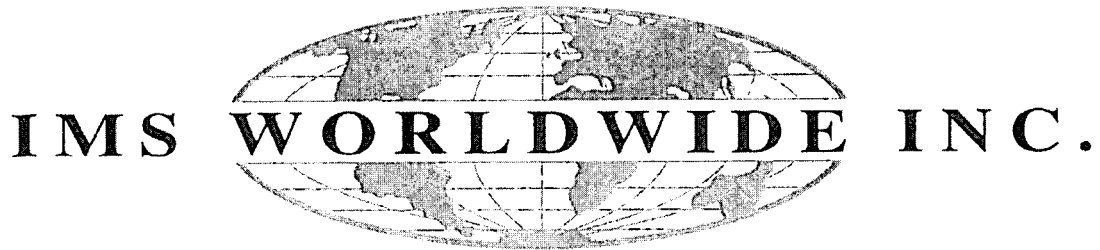
The purpose of this letter is to document the support of Stanislaus County for inclusion in the Service Area of Foreign-Trade Zone (FTZ) No. 226. We have participated in the FTZ since its inception in 1997, and it is our desire to continue as an active participant within this FTZ.

In 1997, when the Foreign-Trade Zone No. 226 was established, the San Joaquin Valley Foreign-Trade Zone Advisory Board (Board) was also established. Stanislaus County has actively participated on this Board and will continue to do so in an effort to provide our jurisdiction and residents with the economic development benefits and opportunities that FTZ designation provides. Supervisor Jim DeMartini is currently the Board appointed representative for Stanislaus County.

We understand this means the Grantee, Merced County Board of Supervisors, will be able to apply to the FTZ Board for authority to serve sites within this County based on businesses' trade related needs. We also note that the Zone will be made available on a uniform basis to companies within Stanislaus County in a manner consistent with the legal requirement that each FTZ be operated as a public utility.

Regards,

Dick Monteith, Chairman
Stanislaus County Board of Supervisors



*Foreign-Trade Zone and Industrial Park Consulting and Marketing
Supply Chain and Security-Threat Assessments*

**Request for Reorganization of
Foreign-Trade Zone No. 226

Alternative Site Framework**

Submitted by:

**Board of Supervisors of the County of Merced
Grantee of
Foreign-Trade Zone No. 226**

February 14, 2011

Houston Headquarters
309 Henrietta Street • Webster, Texas 77598 • Phone: (281) 554-9099 • 1
Affiliates in Washington, D.C., Chicago, Miami, Columbus, Buffalo, Ottawa, and 7

ATTACHMENT A



December 14, 2010

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

Re: Application for Reorganization under Alternative Site Framework
Foreign-Trade Zone 226

Dear Mr. McGilvray,

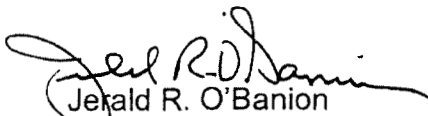
The Board of Supervisors of the County of Merced (Merced), as Grantee of Foreign-Trade Zone (FTZ or Zone) No. 226, hereby submits for Foreign-Trade Zone Board (FTZB) approval the enclosed Application for Reorganization under the Alternative Site Framework (ASF).

The reorganization of FTZ No. 226 under the ASF will serve trade-related needs by providing Merced with greater efficiency and flexibility in severing prospective users at the speed of business. This Application will define our service area, remove sites, and modify sites by reducing acreage. No increase in acreage has been requested.

Supporting documentation for this request, as set forth in the FTZB's guidelines, is attached for your review. If you need any further information or documentation, please feel free to contact me.

Thank you for your consideration.

Sincerely,


Jerald R. O'Banion
Chairman

Enclosures

Board of Supervisors

John Pedrozo
Supervisor, District One

Hubert "Hub" Walsh, Jr.
Supervisor, District Two

Michael G. Nelson
Supervisor, District Three

Deidre F. Kelsey
Supervisor, District Four

Jerry O'Banion
Supervisor, District Five

Larry T. Combs
County Executive Officer

Merced County
Administration Building
2222 "M" Street
Merced, CA 95340
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PART ONE

Question 1: Executive Summary

Merced is submitting an application for reorganization of FTZ 226 under the ASF program. See "Tab 7" for the Legal Authority. Merced is requesting reorganization of FTZ No. 226 to be able to respond at the speed of business to the needs of businesses whose global strategies involve the FTZ. Approval of this Application will also allow us to better serve the convenience of commerce within the service area in which we are located and the flexibility under the ASF structure will assist us in making the FTZ available to more companies. In addition, Merced hopes to make strides toward improving our Zone management, by removing non-activated Sites and modifying others to include specific Activation limits. A summary of the changes being requested is listed below.

Site 1 – Reduces acreage by 234 acres.

Site 2 – Remains the same.

Site 3 – Remove entire 191 acres.

Site 4 – Remove entire 101 acres.

Site 6 – Remove entire 87 acres.

Site 7 – Remove entire 10 acres.

Site 8 – Remains the same.

Site 9 – Remains the same.

Site 10 - Remains the same.

Site 11 - Remains the same.

Site 12 – Remove entire 128 acres.

Site 13 – Remove entire 15 acres.

This is a 766+/- acre reduction. In addition, the five year sunset provision on Magnet Sites and the three year sunset provision on Usage-Driven Sites will allow our Zone to evolve around companies who use the benefits of the Zone program.

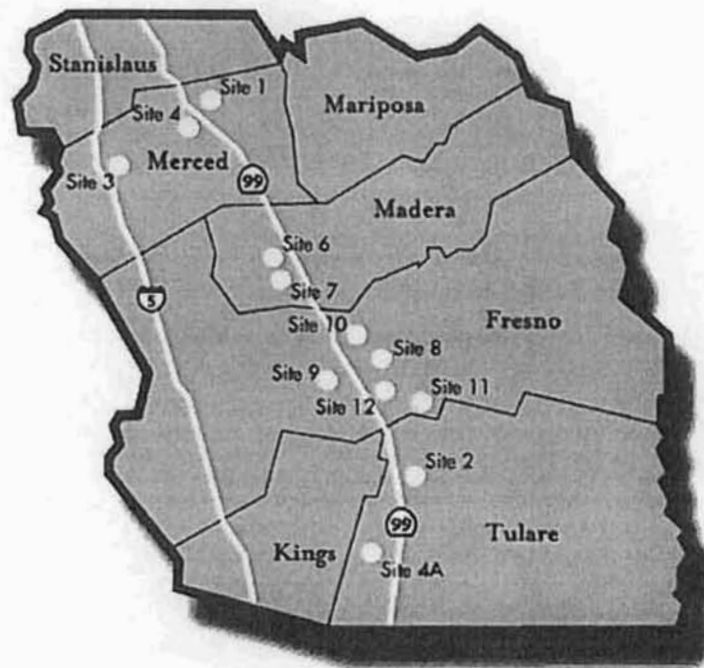
Upon approval of this Application, Merced's Zone project will consist of five Magnet Sites (one permanent) and one Usage-Driven site.

PART ONE

Question 2: Proposed Service Area

The Board of Supervisors of the County of Merced is the regional Grantee of Foreign-Trade Zone 226 is proposing the following seven counties to be considered as our service area: Stanislaus, Merced, Mariposa, Madera, Fresno, Kings and Tulare. These counties have been served by Zone 226, since inception of the Zone granted authority under Board Order 946 on December 22, 1997.

Following is a map showing the proposed service area for FTZ. No. 226. Only the portion of the counties listed above that meet the regulatory port of entry adjacency requirements as set forth in Section 400.21(b), and are within or adjacent to the Port boundaries of the Fresno Port of Entry No. 2803 are included in the Zone Service Area.



The reorganization under ASF has been supported by the Zone Advisory Board made up of a representative from each of the counties included in the Zone service area. The continued support of and participation of each of these counties shows a full level of the support of the service area that has been identified within this Zone reorganization. The Grantee feels this added benefit of having an ASF in place, expands the opportunities for each county to promote the program more completely through Zone Service Area and reduces the overall size of the Zone by over 766 +/- acres.

The approval of the ASF within Zone No. 226 will create more opportunities for companies in the Zone service area to activate under FTZ status. Attached under Tab 7 herein, is the copy of the state enabling legislation and the grantee organization's charter.

In 1997 when the Merced FTZ No. 226 was established, the San Joaquin Valley Foreign-Trade Zone Advisory Board (Board) was also established. The Board is comprised of representatives from the

counties of Merced, Fresno, Kings, Madera, Mariposa, Stanislaus and Tulare, which are the counties that make up the service area of the Merced FTZ (as outlined in the Advisory Board Establishing Elements and Operating Procedures included in its entirety within this Application's Appendix).

The Advisory Board was established to provide the Merced County Board of Supervisors (Grantee) with guidance, insight and direction on the balance of efforts provided by the Grantee to ensure federally mandated marketing, support and administrative services were equitably applied to the seven counties participating in the Zone. The Board is based on the principle of equality of membership and its prime purpose as an organization, with separate individual governmental units, is to offer input directly to the Grantee regarding FTZ matters. The County Board of Supervisors from each participating county appoints, by action or resolution, one representative to serve on the FTZ Advisory Board for a term to be specified by each Board of supervisors.

The current members of the FT Z Advisory Board are listed below:

- Supervisor Janet Bibby, Mariposa County
- Supervisor Mike Ennis, Tulare County
- Supervisor Richard Fagundes, King County
- Supervisor Mike Nelson, Merced County (Chairman)
- Supervisor Susan Anderson Fresno County
- Supervisor Frank Bigelow, Madera County
- Supervisor Jim DeMartini, Stanislaus County

On December 8, 2010, a meeting was called of the Advisory Board and in advance of the meeting all members were provided with information regarding the motion that would be on the agenda regarding the ASF Restructuring of FTZ No. 226. The motion passed unanimously with the Board members in attendance (Bibby, Ennis, Fagundes, and Nelson), and those members not in attendance did not submit letters of objection or questions regarding the Grantee's motion. A copy of the signed resolution is included within this Application.

PART ONE

Question 3: General Justification for Reorganization

Explain the need for the proposed reorganization of your FTZ under the ASF, including current and projected levels of international trade in the community. Describe the local economy's strengths and weaknesses, in general, including established and emerging industries and particular challenges. Indicate how reorganizing your FTZ under the ASF ties to local/state/regional economic development plans. Explain the anticipated economic impact, direct and indirect, of reorganizing your FTZ under the ASF (including the ability to sponsor Usage-Driven sites throughout your proposed Service Area).

The current Zone configuration is somewhat limited in terms of flexibility. Zone status under the ASF complements the economic development initiatives of the region to attract more businesses and jobs to this area.

The Board of Supervisors for Merced County is the Grantee of Foreign-Trade Zone 226 serving seven counties within the California Central Valley. California's Central Valley claims three of the nation's top agricultural producing counties and is home to the International AgriCenter and the largest milk producer in the United States. It is also a major producer of wind energy and oil, with four giant oil fields that have each produced over a billion barrels of crude. In 2009, the State of California exported 120,080 Million Dollars worth of goods in 2009, accounting for 11.4% of the U.S. total.

The Alternative Site Framework will provide the Zone No. 226 with the flexibility of offering Foreign-Trade Zone status to companies who have expressed a true need to utilize it. Additionally, as trade is expected to increase due to close proximity to foreign markets such as Mexico and the U.S. premier entry ports of Los Angeles/Long Beach, the ASF will provide flexibility and make it easier for companies to begin utilizing the Foreign-Trade Zone program by streamlining the Application process.

Recently, Vanity Fair activated their distribution facility located within Site 2 in the MidState 99 Distribution Park within Visalia, CA. This region has seen growth in the distribution and logistics industry, as the Central Valley offers access to the Port of Los Angeles, the Port of Oakland and to the large population clusters in Northern and Southern California, as well as those markets to the west in Arizona and Nevada. This lower cost industrial real estate market provides easy highway access and comparable reach, making it a winning location for many of the large box retailers that call the Central Valley home including; Target, Wal-Mart, JoAnn Stores, Vanity Fair, just to name a few. Another major U.S. retailer is considering activating its facility within Site 10 in Fresno, CA. This retailer has enclosed a letter of interest, but has asked that their name be kept confidential. A "Business Confidential" copy of their letter of interest is enclosed under separate cover for your reference, as this letter is not to be published publicly.

The continued growth of the distribution and logistics segment of the industry within the Central Valley of California is welcomed in this primarily agricultural region. With high levels of unemployment at over 15% for the region, well above the national average, any and all benefits and incentives that can continue to encourage investment, growth, and job creation within this region are essential.

The Grantee believes that the ASF will lower the barriers to entry into the Zone program for companies within the Zone Service Area.

PART ONE

Question 4: INFORMATION ON EXISTING ZONE SITES

For all of your existing FTZ sites, please fill in the table immediately below (adding additional rows, as needed). Here is a description of the information to fill in about each site:

- Site Number -- This is the number assigned by the FTZ Board and should be reflected in the FTZ Board's documents to you. You can confirm this information by contacting the FTZ Staff.
- Site Name and Address -- This is the name (for example, the Acme Industrial Park) and the street address (or similar indicator) that is the primary indication of the site's physical location.
- Acreage within Current Site Boundaries -- Indicate the number of acres within the current boundaries of the site. This figure should match the FTZ Board's records regarding the site's acreage.

Site Number	Site Name and Address	Acreage w/in Current Site Boundaries
1	Castle Airport Morimoto Industrial Park 3450 C Street, Atwater CA (Merced County)	791+/- acres
2	MidState 99 Distribution Park 2525 North Plaza Drive, Visalia CA (Tulare County)	242+/- acres
3	MidCal Business Park Highway 33, Gustine CA (Merced County)	191+/- acres
4	Applegate Business Park Highway 33, Air Park Road, Atwater CA (Merced County)	101+/- acres
6	City of Madera Airport Industrial Park/State Center Commerce Park Falcon Drive, Madera CA (Madera County)	87+/- acres
7	City of Madera Industrial Park 2500 West Industrial Avenue, Madera CA (Madera County)	10+/- acres
8	Airways East Business Park/Grundfos East Shields Avenue, Fresno CA (Fresno County)	27.56+/- acres
9	Central Valley Business Park East North Avenue, Fresno CA (Fresno County)	225+/- acres
10	Fresno Airport Industrial Park/City of Clovis Industrial Park Aircrop Way, Fresno and West Dakota Avenue & West, Clovis CA (Fresno County)	492+/- acres
11	Reedley Industrial Park II 1301 South Buttonwillow Avenue, Reedley CA (Fresno County)	35+/- acres
12	City of Selma Industrial Park East Nebraska, Selma CA (Fresno County)	128+/- acres
13	US Cold Storage 810 E. continental Avenue, Tulare CA (Tulare County)	15+/- acres

PART ONE

Question 5: Information on new or modified Zone Sites (if applicable)

You only need to fill in the table below if there are 1) new sites that you are proposing for your FTZ or 2) existing sites that you propose to modify in any way. All new or modified sites should be included in this table (whether they are proposed for Magnet or Usage-Driven designation). Add additional rows to the table, as needed. Here is a description of the information to fill in about each site:

Site Number -- For a modification to an existing site, this will be the number already assigned to the site by the FTZ Board (as reflected in the FTZ Board's documents to you). For any new site, the proposed number will follow the instructions in the "How to Prepare Your Application" document.

Change to Site -- Fill in this field as follows:

- If the site being proposed will be entirely new, indicate "New."
- If the site already exists in your zone and you are proposing to remove it, indicate "Remove."
- If the site already exists in your zone and you propose to retain the site but with modified site boundaries, indicate "Modify."
- If the site already exists in your zone and you are simply proposing to renumber it, indicate "Renumber" followed by the new number for the site (for example, "Renumber to Site 5").

Site Name and Address -- This is the name (for example, the Acme Industrial Park) and the street address (or similar indicator) that is the primary indication of the site's physical location. For an existing site that you are modifying or removing, if the name and address remain the same as listed in the table in Question 4 above, simply indicate "Same as Existing."

Acreage within Proposed Site Boundaries -- Indicate the number of acres within the proposed (rather than existing) boundaries of the site.

Site Number	Change to Site	Site Name and Address	Acreage w/in Proposed Site Boundaries
1	Modify	Castle Airport Morimoto Industrial Park 3450 C Street, Atwater CA (Merced County)	557+/-
3	Remove	MidCal Business Park Highway 33, Gustine CA (Merced County)	0
4	Remove	Applegate Business Park Highway 33, Air Park Road, Atwater CA (Merced County)	0
6	Remove	City of Madera Airport Industrial Park/State Center Commerce Park Falcon Drive, Madera CA (Madera County)	0
7	Remove	City of Madera Industrial Park 2500 West Industrial Avenue, Madera CA (Madera County)	0
12	Remove	City of Selma Industrial Park East Nebraska, Selma CA (Fresno County)	0
13	Remove	US Cold Storage 810 E. continental Avenue, Tulare CA (Tulare County)	0

PART ONE

Question 6: Summary of Proposed Zone Structure

In the table below, list all general-purpose sites (both Magnet and Usage-Driven) that you are proposing for inclusion as part of your FTZ at this time. Add additional rows to the table, as needed. Here is a description of the basic information you will need to provide about each site:

Site Number -- This number associated with a site should match the information you provided in the tables for Questions 4 and 5 above.

Site Category -- For sites you are retaining or proposing, indicate "Magnet" or "Usage-Driven" designation, as appropriate.

Acreage within Site Boundaries -- Indicate the number of acres within the boundaries of each site proposed as part of your future zone structure. For existing sites that are not being modified, this figure should match the acreage indicated for the site in the table for Question 4 above. For new or modified sites, this figure should match the acreage indicated for the site in the table for Question 5 above.

Activation Limit -- From the overall 2,000-acre activation limit that will apply to your FTZ under the ASF, indicate the activation limit in acres that you propose to apply to the individual site in question (in other words, the number of acres of the 2,000-acre activation limit that you propose to allot to the site).

Total Allotted Activation Limit -- At the bottom right corner of the table, enter the sum of the activation limits proposed for the individual sites.

Site Number	Site Category	Acreage within Site Boundaries
1	Magnet	557+/- acres
2	Magnet	242+/- acres
8	Usage Driven	27.56+/- acres
9	Magnet	225+/- acres
10	Magnet	492+/- acres
11	Magnet	35+/- acres

PART ONE

Question 7: Please explain the circumstances (including reference to the specific site number(s) if you are proposing to remove or renumber any existing site(s).

Sites to be removed from the Merced FTZ No. 226 are outlined in the chart below, along with the circumstances regarding their removal.

Site Number	Site Name and Address	Explain Reason for Removal
3	MidCal Business Park Highway 33, Gustine CA (Merced County)	Zone Status No Longer Requested
4	Applegate Business Park Highway 33, Air Park Road, Atwater CA (Merced County)	Zone Status No Longer Requested
6	City of Madera Airport Industrial Park/State Center Commerce Park Falcon Drive, Madera CA (Madera County)	Zone Status No Longer Requested
7	City of Madera Industrial Park 2500 West Industrial Avenue, Madera CA (Madera County)	Zone Status No Longer Requested
12	City of Selma Industrial Park East Nebraska, Selma CA (Fresno County)	Zone Status No Longer Requested
13	US Cold Storage 810 E. Continental Avenue, Tulare CA (Tulare County)	Zone Status De-Activated

PART ONE

Question 8: For any current and future sites of your zone, confirm that you commit to working with Customs and Border Protection (CBP), as appropriate, to meet current and future CBP automated-systems requirements (such as ACS or ACE) and to meet any CBP security requirements related to activation?

Yes, the Board of Supervisors of the County of Merced confirms its commitment to working with Customs and Border Protection (CBP) as appropriate to meet these requirements.

PART ONE

Question 9: The following two questions relate to optional flexibility that is possible for some Magnet sites. You may put "N/A" in response to each of these questions unless you are requesting the specific flexibility they address (in which case you will need to provide detailed response(s)).

1. Provide responses regarding the following optional requests, if applicable:

- a. There is a default sunset period of five years for each designated Magnet site in a zone reorganized under the ASF. The ASF allows for a grantee to request waiver of the sunset limit for one Magnet site. If you would like to request waiver of the sunset limit for one of your Magnet sites, indicate the site number and describe in detail why this site was chosen for permanent status. Key considerations would be the publicly owned nature of a site and public processes leading to the site's selection.**

The Board of Supervisors of the County of Merced requests a grant of zone status under the Alternative Site Framework in order to provide an additional incentive for companies to locate in the Central Valley region. This is part of a series of efforts being conducted by the community to diversify its mix of industries which have traditionally been agriculturally based. One of the primary drivers behind the establishment Zone 226 was to drive industrial development opportunities in light of the closure of the Castle Air Force Base.

We are requesting that Zone Site 1, which is Castle Airport Morimoto Industrial Park 3450 C Street, Atwater, CA (Merced County) be considered a permanent Magnet Site to solidify its importance to the community. This is publicly owned property with existing buildings and open land that can serve as an immediate option for companies that wish to locate in this region.

The closure of the Castle Air Force Base in Merced had a direct impact on the region. The reuse and redevelopment of this facility to serve as an industrial hub continues to occur in an effort to attract new businesses create new employment opportunities to offset the jobs which were lost when the base closed down. This redevelopment and reuse plan is still a driving force behind the economic development strategy of the region and this strategy works in direct cooperation with the Central Valley Foreign Trade Zone.

- b. If you believe that a sunset period of longer than five years is justified for one or more specific Magnet sites, provide separately for each such site a detailed description of the specific circumstances that you believe justify a sunset period of longer than five years for the site in question.**

N/A

LEGAL AUTHORITY FOR THE APPLICATION

2. In an attachment called "Legal Authority for Application," submit:

a. A certified copy of the state enabling legislation regarding FTZs. (Consult the separate application-instructions document for an explanation of options to meet the regulatory requirement for a "certified" copy.)

The state enabling legislation follows this page.

AND

b. The sections of the grantee's charter (or organization papers) that are pertinent to FTZs. (For non-public grantees, consult the separate application-instructions document regarding the additional requirement specific to non-public grantees regarding demonstration of current legal standing.)

Grantee's Charter follows this page, behind the state enabling legislation.

AND

c. A certified copy of a resolution authorizing the grantee official to sign the application letter. The resolution should indicate the nature of the application.

A certified copy of the Resolution of the Merced County Board of Supervisors, authorizing the official signing of this Application is enclosed.



State of California Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify: Selected Pages, Ch 134; 1943

That the attached transcript of 3 page(s) is a full, true and correct copy of the original record in the custody of this office.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

January 14, 2011

A handwritten signature in cursive script that reads "Debra Bowen".

DEBRA BOWEN
Secretary of State

Senate Bill No. 958

Passed the Senate March 17, 1943

J. A. Beck

Secretary of the Senate

Passed the Assembly March 29, 1943

Arthur H. ...

Chief Clerk of the Assembly

This bill was received by the Governor this *5th* day of *April*, 1943, at *2* o'clock *P*.M.

Robert P. ...

Private Secretary of the Governor

officer shall receipt it. If the officer refuses or neglects to do so when required, he is liable to the person paying the fees in treble the amount so paid.

6110. Upon payment of the fees required by law, the officer shall perform the services required. For every failure or refusal to do so, the officer is liable upon his official bond.

CHAPTER 3. CRIMES RELATING TO PUBLIC RECORDS, DOCUMENTS, AND CERTIFICATES

6200. Every officer having the custody of any record, map, or book, or of any paper or proceeding of any court, filed or deposited in any public office, or placed in his hands for any purpose, who is guilty of stealing, wilfully destroying, mutilating, defacing, altering or falsifying, removing or secreting the whole or any part of such record, map, book, paper, or proceeding, or who permits any other person to do so, is punishable by imprisonment in the State prison not less than one nor more than 14 years.

6201. Every person not an officer referred to in Section 6200, who is guilty of any of the acts specified in that section, is punishable by imprisonment in the State prison not exceeding five years, or in a county jail not exceeding one year, or by a fine not exceeding one hundred dollars (\$100), or by both such fine and imprisonment.

6203. Every officer authorized by law to make or give any certificate or other writing is guilty of a misdemeanor if he makes and delivers as true any certificate or writing containing statements which he knows to be false.

CHAPTER 4. FOREIGN TRADE ZONES

6300. As used in this chapter, "public corporation" means the State, any political subdivision thereof, any incorporated municipality therein, any public agency of the State, of any political subdivision thereof, or of any municipality therein, or any corporate municipal instrumentality of this State or of this State and one or more other States.

6301. As used in this chapter, "act of Congress" means the act of Congress approved June 18, 1934, entitled "An act to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes" (48 U. S. Stats. at L. Ch. 590.).

6302. Any public corporation may make application for the privilege of establishing, operating and maintaining a foreign-trade zone in accordance with the act of Congress.

6303. Any private corporation organized under the laws of the State subsequent to September 15, 1935, for the purpose of establishing, operating and maintaining a foreign-trade zone in accordance with the act of Congress may make application for the privilege of establishing, operating and maintaining a foreign-trade zone in accordance with the act of Congress.

6304. Any public or private corporation authorized by this chapter to make such application and whose application is granted pursuant to the terms of the act of Congress may establish, operate, and maintain the foreign-trade zone:

(a) Subject to the conditions and restrictions of the act of Congress, and any amendments thereto.

(b) Under such rules and regulations and for the period of time that may be prescribed by the board established by the act of Congress to carry out the provisions of the act.

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA

DIVISION 1. GENERAL

CHAPTER 1. INTERSTATE COOPERATION

8000. There is in the State Government a Senate Committee on Interstate Cooperation, consisting of five members of the Senate. The members and chairman of this committee shall be designated in the same manner as are the members and chairmen of standing committees of the Senate. The President of the Senate may serve as one of the five members of this committee.

8001. There is in the State Government an Assembly Committee on Interstate Cooperation consisting of five members of the Assembly. The members and the chairman of this committee shall be designated in the same manner as are the members and chairmen of standing committees of the Assembly. The Speaker of the Assembly may serve as one of the five members of this committee.

8002. The Committee of the Senate and the Committee of the Assembly shall function during the regular sessions of the Legislature and also during the interim between such sessions. Their members shall serve until their successors are designated

FILED

In the office of the Secretary of State
of the State of California

— 160 —

APR 13 1943

At 4 o'clock P. M.
FRANK M. JORDAN, Secretary of State

By Chas. Wright

Jewell L. Lawrence
President of the Senate *Pro tem*

Charles W. Lyon
Speaker of the Assembly

Approved April 13th, 1943

Earl Warren
Governor

- 1 (ii) A copy of pertinent sections of Merced County's charter or organization papers follows.

Chapter 1
GENERAL

Section

- 23000. Definition of county.
- 23001. Division of state into counties.
- 23002. Counties as legal subdivisions.
- 23003. County as body corporate and politic; express and implied powers.
- 23004. Powers, enumeration.
- 23004.1. Recovery for care and treatment provided person injured or diseased by third person; proceedings.
- 23004.2. Compromise or settlement of claim; failure to take action.
- 23004.3. Adoption of Act by resolution.
- 23004.4. Insurance for licensed foster home facilities.
- 23005. Powers, exercise through board or through agents and officers.
- 23006. Invalidity of contracts, etc., made in violation of law.
- 23007. Giving or loaning credit to or in aid of person or corporation.
- 23008. Supplying goods or services to district or municipality.
- 23009. Charges for work done or goods supplied.
- 23010. Loan of funds to districts.
- 23010.1. County fire protection districts; loans; purposes; repayment.
- 23010.2. Loans to cities incorporated less than year; repayment.
- 23010.3. Conveyance works in connection with sewer or drainage improvements.
- 23010.4. Loans to school districts for removal or replacement of asbestos-derived materials.
- 23011. Designated name as corporate name, use in action or proceeding.
- 23012. Names of counties.
- 23013. Department of corrections; establishment; jurisdiction; joint department of corrections in two or more counties.
- 23014. Establishment of revolving fund; resolution; appropriation; use; reimbursement.
- 23014.5. Sonoma County; revolving fund; appropriations; use; reimbursement; repeal date.
- 23015. Conduct or participation in training, education or rehabilitation of wards or offenders; contracts; expenditures.
- 23025. Deaf teletype equipment.
- 23026 to 23042. Repealed.

Chapter 1 was added by Stats.1947, c. 424, p. 1039, § 1.

Cross References

- Counties as legal subdivisions of state, see Const. Art. 11, § 1.
- Division of state into counties, see § 460.
- Provisions of this chapter to be called to attention of grand jury, see Penal Code § 914.1.

Library References

- Counties ↯ 1 et seq.
- C.J.S. Counties § 1 et seq.

§ 23000. Definition of county

A county is the largest political division of the State having corporate powers.

(Added by Stats.1947, c. 424, p. 1039, § 1.)

Section

- 23000
- 24000
- 29000
- 31000

Section

- 23000
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- 23700

§ 1.

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§ 23000

COUNTIES Title 3

Historical Note

Derivation: Pol.C. § 3901.

Cross References

Definition, see, § 19.
Designation of county by corporate name, see § 23011.
Names of counties, see § 23012.

Law Review Commentaries

Nature of "corporate authorities" within constitutional provision authorizing legislature by general laws to vest power to tax in corporate authorities of local subdivisions. (1946) 34 C.L.R. 644, 667.

Library References

Counties ⇐ 1.
C.J.S. Counties § 1 et seq.
Words and Phrases (Perm.Ed.)

§ 23001. Division of state into counties

The State is divided into counties, named, bounded, and constituted as provided in this title.

(Added by Stats.1947, c. 424, p. 1039, § 1.)

Historical Note

Derivation: Pol.C. § 3902, amended Stats. 1907, c. 273, p. 343, § 1.

Cross References

Boundaries of counties,
In general, see § 23070 et seq.; Const. Art. 11, § 1.
Alteration, see § 23230 et seq.; Const. Art. 11, § 1.
Disputes, see § 23170 et seq.
Counties as legal subdivisions of state, see § 23002; Const. Art. 11, § 1.
Names of counties, see § 23012.
New counties, creation, see § 23300 et seq.; Const. Art. 11, § 1.
Similar provision, see § 460.

§ 23002. Counties as legal subdivisions

The several existing counties of the State and such other counties as are hereafter organized are legal subdivisions of the State.

(Added by Stats.1947, c. 424, p. 1039, § 1.)

Historical Note

Derivation: Pol.C. § 3902, amended Stats. 1907, c. 273, p. 343, § 1.

Constitutional Provisions

Article 11, § 1, provides in part: "The state is divided into counties which are legal subdivisions of the State."

Cross References

Boundaries of counties,
In general, see § 23070 et seq.; Const. Art. 11, § 1.

§ 23011. Designated name as corporate name, use in action or proceeding

The name of a county designated in this chapter is its corporate name, and it shall be designated thereby in any action or proceeding touching its corporate rights, property, and duties.

(Added by Stats.1947, c. 424, p. 1040, § 1. Amended by Stats.1963, c. 282, p. 1043, § 4.)

Historical Note

Derivation: Pol.C. § 4002, added Stats.1907, c. 282, p. 355, § 1.

Cross References

Names of counties, see § 23012.
Power of county to sue and be sued, see § 23004.
Use of county name as reference to county, see § 23077.

Library References

Counties \Leftrightarrow 1, 208, 218.
C.J.S. Counties §§ 1 et seq., 319, 327.

WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

Notes of Decisions

Pleadings 1

1. Pleadings

As Const. Art. 6, § 6 (repealed) spoke of the counties of Yuba and Sutter in relation to the existence of superior courts, and Civ.C. § 1189.

requires the venue and certificate of acknowledgment of a complaint to be expressed as "county of _____," a demurrer to a complaint, commenced in the name of the county of Sutter, on the ground that the name of the county is "Sutter," and not the "County of Sutter," should be overruled. Sutter County v. McGriff (1900) 62 P. 412, 130 C. 124.

§ 23012. Names of counties

The names of the counties of the State are:

Alameda	Lake	Riverside
Alpine	Lassen	Sacramento
Amador	Los Angeles	San Benito
Butte	Madera	San Bernardino
Calaveras	Marin	San Diego
Colusa	Mariposa	San Francisco
Contra Costa	Mendocino	San Joaquin
Del Norte	Merced	San Luis Obispo
El Dorado	Modoc	San Mateo
Fresno	Mono	Santa Barbara
Glenn	Monterey	Santa Clara
Humboldt	Napa	Santa Cruz
Imperial	Nevada	Shasta
Inyo	Orange	Sierra
Kern	Placer	Siskiyou
Kings	Plumas	Solano

§ 23012

COUNTIES
Title 3

Sonoma
Stanislaus
Sutter
Tehama

Trinity
Tulare
Tuolumne

Ventura
Yolo
Yuba

(Added by Stats.1947, c. 424, p. 1040, § 1.)

Cross References

Use of county name as reference to county, see § 23077.

§ 23013. Department of corrections; establishment; jurisdictions; joint department of corrections in two or more counties

The board of supervisors of any county may, by resolution, establish a department of corrections, to be headed by an officer appointed by the board, which shall have jurisdiction over all county functions, personnel, and facilities, or so many as the board names in its resolution, relating to institutional punishment, care, treatment, and rehabilitation of prisoners, including, but not limited to, the county jail and industrial farms and road camps, their functions and personnel.

The boards of supervisors of two or more counties may, by agreement and the enactment of ordinances in conformity thereto, establish a joint department of corrections to serve all the counties included in the agreement, to be headed by an officer appointed by the boards jointly.

(Added by Stats.1957, c. 243, p. 898, § 1.)

Notes of Decisions

Administration of jail 1

1. Administration of jail

If a board of supervisors of any county elects to establish a county department of corrections

under the mandate of this section, the chief officer of such department rather than the sheriff will have the responsibility for administering the county jail. 52 Ops.Atty.Gen. 228, 11-7-69.

§ 23014. Establishment of revolving fund; resolution; appropriation; use; reimbursement

Pursuant to a resolution adopted by its board of supervisors by a four-fifths vote of all of the members of the board of supervisors, a county may appropriate any of its available moneys to a revolving fund not to exceed five hundred thousand dollars (\$500,000) to be used by any county sanitation district, county flood control district, or county maintenance district, located wholly within the county for the acquisition of real or personal property, environmental impact studies, fiscal analysis, engineering services, or the construction of structures or improvements needed in whole or in part for district purposes. The revolving fund shall be reimbursed from service fees, connection charges, tax revenues or other moneys available to the district, and no sums shall be disbursed from the fund until an agreement with a term not exceeding 10 years has been made between the board of supervisors and the governing board of the district encompassing the method by, and the time

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COUNTIES
Title 3

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COUNTY BOUNDARIES
Div. 1

§ 23124

corner between Secs. 25 and 26; and thence south along the section line a distance of one-half mile to the corner of Secs. 25, 26, 35, and 36, T. 12 N., R. 9 W., M.D.B. & M., said point being the southeast corner of Mendocino and the northeast corner of Sonoma; thence westerly on the northern line of Sonoma to the Pacific Ocean; thence northerly along the ocean shore to the place of beginning.

(Added by Stats.1947, c. 424, p. 1057, § 1.)

Historical Note

Derivation: Pol.C. § 3918. Stats.1851, c. 14, p. 178, § 26.
Pol.C. § 3931, added Stats.1919, c. 470, p. 881, § 24, repealed and added Stats.1923, c. 160, p. 346, § 24.

Cross References

Boundaries,
Glenn County, see § 23111.
Humboldt County, see § 23112.
Sonoma County, see § 23149.
State of California, see § 160 et seq., Const. Art. 3, § 2.
Tehama County, see § 23152.
Trinity County, see § 23153.

WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

Notes of Decisions

Judicial notice 2 Trinity County v. Mendocino County (1907) 90
Prior law 1 P. 685, 151 C. 279.

2. Judicial notice

1. Prior law

The statute declaring that the fortieth parallel of north latitude should be the common boundary of Mendocino and Trinity counties, constituted merely a reenactment and codification of the prior laws and did not, therefore, repeal by implication the prior act, nor nullify the line run and marked thereunder as the boundary line between such counties.

Under Pol.C. former §§ 3918 (see, now, this section), 3919 (see, now, Gov. C. § 23153), defining the boundary line between Trinity county and Mendocino county, it was the duty of the court, in an action against one of the counties to recover taxes paid to it on the ground that the land taxed was in the other county, to take judicial notice as to which county the land was in. Merritt v. Trinity County (1906) 84 P. 675, 3 C.A. 168.

§ 23124. Merced county

The boundaries of Merced County are as follows:

Beginning at the northwest corner, being the southwest corner of Stanislaus as shown on the survey map of A. J. Stakes, 1868; thence northeasterly, on southern line of Stanislaus to common corner of Tuolumne, Mariposa, Merced, and Stanislaus; thence southeasterly, by direct line, being western line of Mariposa, to Phillips' ferry, on Merced River; thence southeasterly, on line of Mariposa, being line shown on "map of Mariposa County," to Newton's crossing on Chowchilla Creek, forming the southeast corner; thence down the northern side and on highwater mark, being on line of Madera to the lower clump of cottonwood timber at the sink of said creek; thence south, 45

degrees W., to the eastern line of San Benito, forming the southwest corner; thence northwesterly, by said line of San Benito and Santa Clara, to the place of beginning.

(Added by Stats.1947, c. 424, p. 1061, § 1.)

Historical Note

Derivation: Pol.C. § 3934. Stats.1855, c. 104, p. 125, § 2.
Pol.C. § 3932, added Stats.1919, c. 470, p. 886, § 25, repealed and added Stats.1923, c. 160, p. 351, § 25.

Cross References

Boundaries,

Mariposa County, see § 23122.
San Benito County, see § 23135.
Santa Clara County, see § 23143.
Stanislaus County, see § 23150.
Tuolumne County, see § 23155.

§ 23125. Modoc county

The boundaries of Modoc County are as follows:

Commencing at the northeast corner of the State of California; thence west, along the northern boundary line of said State, to the range line between R. 4 and 5 E., M.D.B. & M.; thence due south, on said range line, to the southern boundary line of Siskiyou; thence east along an extension of said southern boundary line, to the state line; and thence north to the place of beginning.

(Added by Stats.1947, c. 424, p. 1062, § 1.)

Historical Note

Derivation: Pol.C. § 3933, added Stats.1919, c. 470, p. 886, § 26, repealed and added Stats. 1923, c. 160, p. 352, § 26. Stats.1873-74, c. 107, p. 124, § 2.

Cross References

Boundaries,

Siskiyou County, see § 23147.
State of California, see § 160 et seq., Const. Art. 3, § 2.

§ 23126. Mono county

The boundaries of Mono County are as follows:

Beginning at the north corner on the state line, being the east corner of Alpine; thence southwesterly, on the easterly line of Alpine to the main summit of the Sierra Nevada Mountains; thence southerly, along said summit, on the easterly line of Alpine, Tuolumne, Madera, and Fresno, to a point where the northern line of T. 6 S., M.D.B., intersects said summit line, forming the southwest corner; thence east, on said township line, being the northern line of Inyo, to the eastern line of the State, forming the southeast corner; thence northwest, on the state line, to the place of beginning.

(Added by Stats.1947, c. 424, p. 1062, § 1.)

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF MERCED, STATE OF CALIFORNIA**

In the Matter of)
)
APPLICATION FOR REORGANIZATION) **RESOLUTION NO. 2010-200**
UNDER THE ALTERNATIVE SITE)
FRAMEWORK OF FOREIGN-TRADE ZONE)
NO. 226)
_____)

WHEREAS, the U.S. Department of Commerce, through an act of Congress (48 U.S. Stats. At L. ch 590) encourages, supports and approves the establishment of Foreign-Trade Zones throughout the United States for the purpose of creating greater economic opportunities and employment to businesses and communities; and,

WHEREAS, the U.S. Foreign-Trade Zones Board (FTZB) has provided a grant of Authority for FTZ No. 226; and,

WHEREAS, the FTZB has authorized a new Site Management Plan for Zone projects which allows for more open access to the Zone program within a Site management structure that encourages FTZ usage and management of existing Sites; and,

WHEREAS, this Site Management Plan requires a reduction in the number of and size of many of the Zone Sites, including: Site 1 (Castle Airport/Morimoto Industrial Park): reduction in acreage by 234 acres, Site 3 (MidCal Business Park) remove all 191 acres, Site 4 (Applegate Business Park) remove all 101 acres, Site 6 (City of Madera Airport Industrial Park/State Center Commerce Park) remove all 87 acres, Site 7 (City of Madera Industrial Park) remove all 10 acres, Site 12 (City of Selma Industrial Park) remove all 128 acres, Site 13 (US Cold Storage) remove all 15 acres; and,

WHEREAS, the withdrawal of the aforementioned property and the establishment of the Grant of Authority under the new Alternative Site Framework requires notification to the U.S. FTZB to reduce the total FTZ No. 226 project acreage and establish the new Site framework.

NOW, THEREFORE, BE IT RESOLVED that this Board of Supervisors approves the withdrawal of the Sites listed above from Foreign-Trade Zone No. 226 and the reorganization of the Grant of Authority under the new Alternative Site Framework and authorizes the Chairman to sign the application submittal letter.

I, **LARRY T. COMBS**, Clerk of Board of Supervisors of County of Merced, do hereby certify that the foregoing resolution was regularly introduced, passed and adopted by said Board at a regular meeting thereof held on the 14th day of December, 2010, by the following vote:

SUPERVISORS

AYES: Jerry O'Banion, John Pedrozo, Hub Walsh, Mike Nelson, Deidre F. Kelsey

NOES: None

ABSENT: None

WITNESS my hand and the Seal of this Board this 14th day of December, 2010.

LARRY T. COMBS, Clerk



By Victoria Bujan
Deputy

PART TWO: INFORMATION ON NEW OR MODIFIED "MAGNET" SITES, IF APPLICABLE

IMPORTANT: You will only need to complete this section if you are proposing Magnet designation for 1) a new site or 2) an existing site for which you are proposing to modify the site's boundaries.

Reduce Existing Site Boundary(ies): For an existing site that you are proposing to modify in a way that simply reduces one or more of the site's existing boundaries, you will only need to answer Questions M1 through M4 plus provide an updated site plan (survey/schematic) as detailed in Question M15 below.

M1. Indicate the site's distinct identifying number: _____. This number should tie to your site tables in Part One of the application. Be sure that the site's identifying number complies with the instructions provided in the separate "How to Prepare Your Application" document.

Site 1

M2. List the site's address, including the jurisdiction in which the site falls (town, city, county):

The Site is known as Castle Airport (formerly Castle Air Force Base) Morimoto Industrial Park and is located at 3450 C Street, Atwater (Merced County), CA. The current Riverside Motorsports Park (formerly Morimoto Industrial Park) is being removed in its entirety (233.75+/- acres). This will leave Site 1 with the remaining acreage referenced below in the next question.

M3. List the total acreage within the proposed site's boundaries: _____.

557+/- acres

M4. If applicable, describe how the site relates to any existing site (permanent or temporary) and explain the circumstances.

N/A

M15. A clear and detailed site plan (survey/schematic) 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 plan, 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.

A site plan is attached.



Site 1 Overview

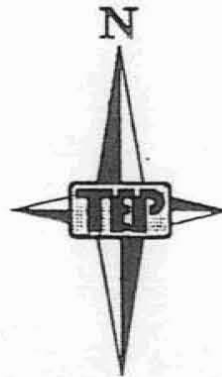
Portion of Site 1
Being Removed

Riverside Motorsports Park, Formerly
Morimoto Industrial Park = 233.75 acres

**Portion of Site 1
to be
Removed**

Castle Airport/Morimoto Industrial Park
Merced County

Morimoto Industrial Park



SEC. 20

SCALE 1" = 1000'

SEC. 21

O L I V E

A V E N U E

N01°50'00"E
1285.91'

44	43	42	41	40	39	38	37	36	35	34	33
		N89°54'13"E	5309.13'					N89°47'00"E	2608.51'		
		S89°56'35"W		5294.07'					S02°47'52"W 1290.82'		

F O X
R O A D

POINT OF BEGINNEING

S89°47'30"W 2603.09'

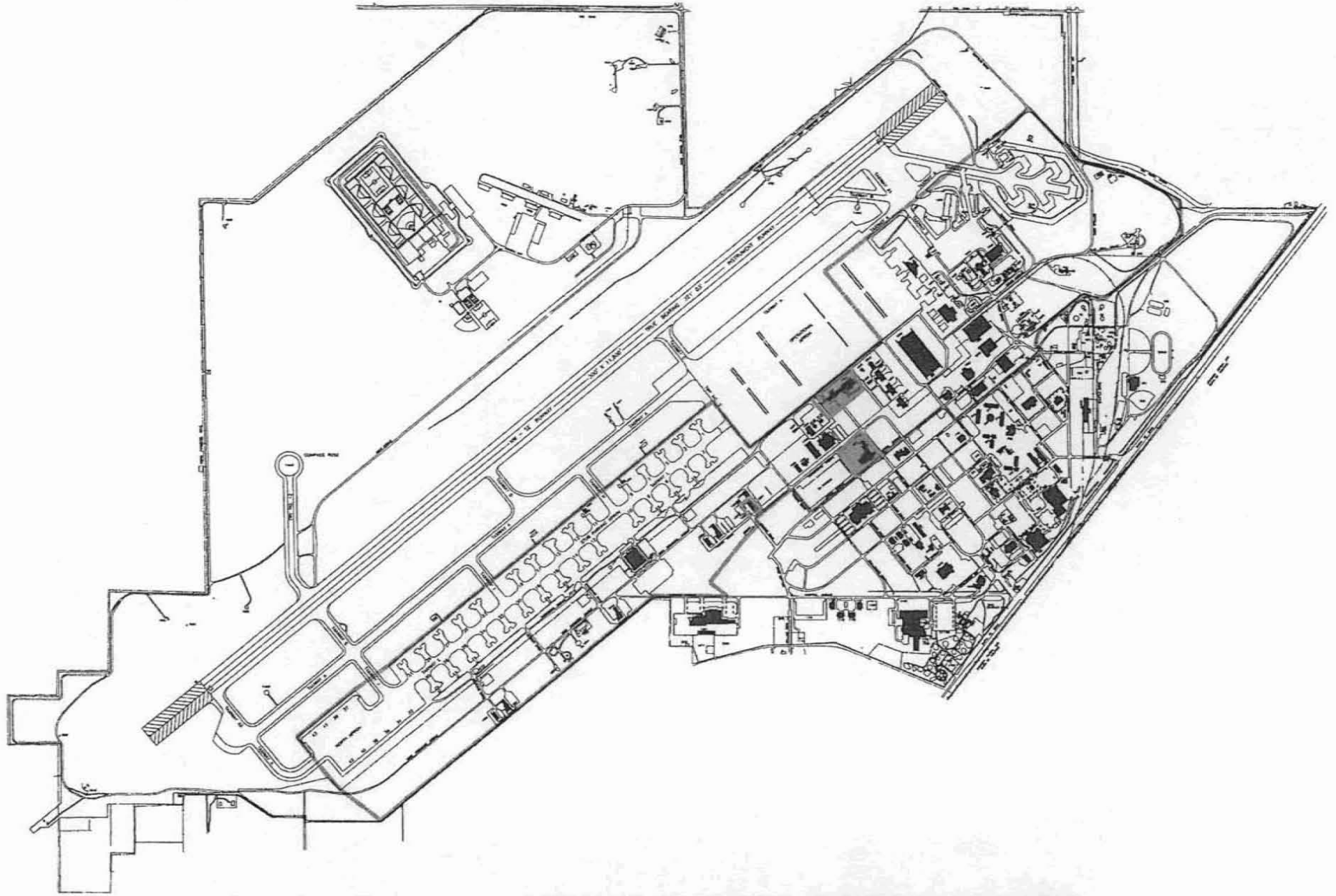
LEGAL DESCRIPTION

Being a portion of Lots 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43 and 44 as shown on "MAP OF THE LIBERTY COLONY", recorded in Book 7 of Official Plats at Page 70, Merced County Records, within Sections 20 and 21 Township 6 South, Range 13 East, M.D.B. & M., being more particularly described as follows:

BEGINNING at the southwesterly corner of said Lot 44 thence N. $1^{\circ} 50''$ E., 1,285.91 feet along the westerly line of said Lot 44 to a point S. $1^{\circ} 50''$ W., 30.02 feet from the northwesterly corner of said Lot 44 which is also the southerly right-of-way line of a 60-foot wide road known as Olive Avenue as described in "Deed" to Merced County, recorded in Book 1653 of Official Records at Page 898, Merced County Records; thence N. $89^{\circ} 54' 13''$ E., 5,309.13 feet along said southerly right-of-way line of Olive Avenue through said Lots 44, 43, 42, 41, 40, 39, 38 and 37 to a point on the easterly line of said Section 20 also being the easterly line of said Lot 37; thence N. $89^{\circ} 47' E.$, 2,608.51 feet along said southerly right-of-way line of Olive Avenue through said Lots 36, 35, 34 and 33 to a point on the westerly right-of-way line of a 60-foot wide road known as Fox Road as described in said "Deed"; thence S. $2^{\circ} 47' 52'' W.$, 1,290.82 feet along said westerly right-of-way line of Fox Road to a point on the southerly line of said Lot 33; thence S. $89^{\circ} 47' 30'' W.$, 2,603.09 feet along the southerly line of said Lots 33, 34, 35 and 36 to the southwest corner of said Lot 36 also being a point on the easterly line of Section 20; thence S. $89^{\circ} 56' 35'' W.$, 5,294.07 feet along the southerly line of said Lots 37, 38, 39, 40, 41, 42, 43 and 44 to POINT OF BEGINNING.

Containing 233.75 acres.

**Portion of Site 1
to Remain
Designated and
Permanent**



CASTLE AIRPORT AVIATION AND DEVELOPMENT CENTER



PART THREE: INFORMATION ON SPECIFIC "USAGE-DRIVEN" SITES, IF APPLICABLE

IMPORTANT: Under the ASF, you (the grantee) will be able to request designation of Usage-Driven sites throughout your approved Service Area at any time. You will only need to complete this section as part of your reorganization application if you are proposing Usage-Driven designation for specific sites at this time. (Such sites could either be sites that have not already been designated by the FTZ Board or sites already designated for your FTZ that have only been used over time by one operator/user and that you therefore believe are appropriate -- either wholly or only in part -- for Usage-Driven designation.)

Maintain Existing Site Boundaries: For an existing site that you are proposing for Usage-Driven designation but which does not need its boundaries modified (for example, a warehouse building already occupied by a third-party logistics provider), you will only need to answer **Questions U1 through U6** below.

- U1. Indicate the distinct identifying number to apply to the site: _____ . This number should tie to your site tables in Part One of the application. Be sure that the site's identifying number complies with the instructions provided in the separate "How to Prepare Your Application" document.**

Site 8

- U2. List the site's address, including the jurisdiction in which the site falls (town, city, county), and explain how the site is within the grantee's Service Area.**

Airways East Business Park, 5900 East Shields Avenue, Fresno, Fresno County which is one of the seven counties served by FTZ 226.

- U3. List the site's proposed acreage _____ (which will also be the site's activation limit).**

27.56+/- Acres

- U4. If applicable, describe how the site relates to any existing site (permanent or temporary) and explain the circumstances.**

N/A

- U5. Indicate the company for which the site will be designated and the company's planned activities.**

Grundfos Pumps performs FTZ Board approved and activated manufacturing and distribution at this location. These activities include but are not limited to: packaging, testing, storage, inspection repair and repackaging. This manipulation is centered around shipping and receiving functions as well as material control issues that track movement between warehousing, manufacturing, and distribution.

U6. **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.**

FTZ designation or the use of FTZ procedures is not a requirement or precondition for future activity at this site.

APPLICATION PART 3 ATTACHMENT
 INFORMATION ON SPECIFIC "USAGE DRIVEN" SITES

U1 SITE NO.	U2 ADDRESS	U2 COUNTY	U2 SERVICE AREA	U3 ACREAGE	U4 RELATIONSHIP TO EXISTING SITE	U5 INTENDED SITE USE	U6 CONFIRM FTZ IS NOT REQUIREMENT OR PRECONDITION
8	Airways East Business Park, 5900 East Shields Avenue, Fresno, CA	Fresno	This county is one of the seven counties (Stanislaus, Merced, Mariposa, Madera, Fresno, Kings and Tulare) within the FTZ 226 Service Area.	27.56+/- acres	Same site, requesting Usage Drive designation	Grudfos Pumps intends to continue using this site as a manufacturing and distribution location.	FTZ designation or the use of FTZ procedures is not a requirement or precondition for future activity at this site.

MERCED COUNTY

CENTRAL SAN JOAQUIN VALLEY FOREIGN-TRADE ZONE NO. 226

2507 Heritage Drive • Atwater, California 95301 • Telephone (209) 385-7686 • Fax (209) 383-4959



MARK J. HENDRICKSON
Administrator

March 17, 2011

Hon. Jim DeMartini
Supervisor
Stanislaus County Board of Supervisors
1010 Tenth Street, Suite 6500
Modesto, CA 95354

RE: Application for the Reorganization of FTZ No. 226

Dear Supervisor DeMartini,

On December 8, 2010, the Foreign-Trade Zone (FTZ) No. 226 Advisory Board took action to recommend approval to the Merced County Board of Supervisors (Grantee) of the resolution authorizing the Grantee Chairman to sign the FTZ No. 226 Reorganization Application letter and also recommended directing staff to submit the application to the U.S. Foreign-Trade Zones Board (FTZB).

On December 14, 2010, the Merced County Board of Supervisors took action to approve the resolution authorizing the Chairman to sign the FTZ No. 226 Reorganization Application letter and directed staff to submit the application to the U.S. Foreign-Trade Zones Board.

The Reorganization Application was submitted in January. As a part of the FTZB staff's review of the application, they are now requesting individual letters from appropriate county officials acknowledging the proposed inclusion of their counties in the service area of FTZ No. 226. Enclosed you will find a sample letter of support as well as an excerpt from the Minutes of the December 8, 2010 FTZ No. 226 Advisory Board meeting. Please send Stanislaus County's letter of support to my attention at the above address.

If you have any questions or need additional information, please call me (209-385-7686).

Sincerely,

Mark J. Hendrickson
Administrator

Enclosures (2)

ATTACHMENT B

**CENTRAL SAN JOAQUIN VALLEY
FOREIGN-TRADE ZONE NO. 226
ADVISORY BOARD**

December 8, 2010

Members Present: Supervisor Janet Bibby, Mariposa County
Supervisor Mike Ennis, Tulare County
Supervisor Richard Fagundes, Kings County
Supervisor Mike Nelson, Merced County (Chairman)

Members Absent: Supervisor Susan Anderson, Fresno County
Supervisor Frank Bigelow, Madera County
Supervisor Jim DeMartini, Stanislaus County

EXCERPT FROM MINUTES

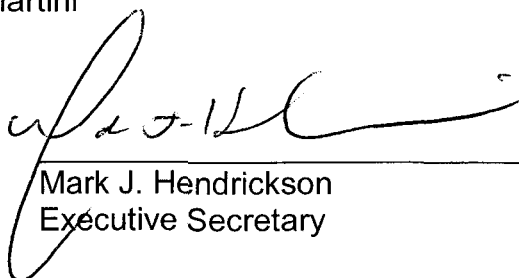
2010-12-08 APPLICATION FOR THE REORGANIZATION OF FTZ NO. 226

Upon motion of Supervisor Ennis, seconded by Supervisor Bibby, duly carried, the Board recommends approval to the Merced County Board of Supervisors (Grantee) of the Resolution authorizing the Grantee Chairman to sign the FTZ No. 226 Reorganization Application letter and recommends directing staff to submit the application to the U.S. Foreign-Trade Zones Board.

AYES: Bibby, Ennis, Fagundes, Nelson

NOES: None

ABSENT: Anderson, Bigelow, DeMartini



Mark J. Hendrickson
Executive Secretary

Date

Hon. John Pedrozo
Chairman
Merced County Board of Supervisors
2222 M Street
Merced, CA 95340

Dear Chairman Pedrozo,

The purpose of this letter is to document the support of _____ County for inclusion in the Service Area of Foreign-Trade Zone (FTZ) No. 226. We have participated in the FTZ since its inception in 1997, and it is our desire to continue as an active participant within this FTZ.

In 1997, when the Merced FTZ No. 226 was established, the San Joaquin Valley Foreign-Trade Zone Advisory Board (Board) was also established. _____ County has actively participated on this Board and will continue to do so in an effort to provide our jurisdiction and residents with the economic development benefits and opportunities that FTZ designation provides.

We understand this means the Grantee, Merced County Board of Supervisors, will be able to apply to the FTZ Board for authority to serve sites within this County based on businesses' trade related needs. We also note that the Zone will be made available on a uniform basis to companies within _____ County in a manner consistent with the legal requirement that each FTZ be operated as a public utility.

Sincerely,

Name
Title