

August 31, 2015

JAMES C. LEDFORD, JR.

MIKE DISPENZA Mayor Pro Tem

STEVEN D. HOFBAUER Councilmember

ROXANA MARTINEZ
Councilmember

FREDERICK THOMPSON Councilmember

38300 Sierra Highway

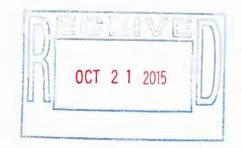
Palmdale, CA 93550-4798

Tel: 661/267-5100

Fax: 661/267-5122

TDD: 661/267-5167

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



Dear Mr. McGilvray:

The City of Palmdale, Grantee of Foreign Trade Zone #191 (FTZ #191) hereby formally requests Major Boundary Modification through the Alternative Site Framework (ASF) Reorganization process. The ASF Reorganization application is being submitted by the City of Palmdale in accordance with Board Order 628, which authorizes the City's Grant of Authority.

The Foreign-Trade Zone operations envisioned and outlined in this ASF application will be an important factor in the continuing program to attract new industry and encourage existing industry to expand in the Palmdale region, which includes portions of Los Angeles County. The City of Palmdale believes the Reorganization of FTZ #191 will introduce the Foreign Trade Zone benefits to a broad range of companies outside of the current zone footprint. The Reorganization will also encourage employment and investment opportunities, economic development and international trade activities within the region. The Reorganization will serve the public utility purpose and become a major asset to companies that are currently engaged in, or seeking entrance into international trade and the global marketplace.

The City of Palmdale has identified its "Service Area" to include portions of Los Angeles County. The "Service Area" is divided by the (Tehachapi Mountain Range) to create a north and south region of the service area.

The proposed service area maintains the zone footprint, eliminates underutilized designated acreage, and defines new productive acreage in portions of Los Angeles County. The service area consists of existing industrial and commercial parks and raw land developable for industrial uses, including companies involved in international trade, manufacturing, and distribution.

Auxiliary aids provided for

communication accessibility

upon 72 hours notice and request.

The City of Palmdale also requests a reduction of 816.43 acres through the modification of The Lockheed Martin Aeronautics Project (Site 1), and the elimination of The North County and Antelope Valley Business Park (Site 2), The Freeway Business Center (Site 3), The Palmdale Trade and Commerce Center (Site 4), The Sierra Gateway Center (Site 6), The Pacific Business Park (Site 7), The Winnell Industrial Park (Site 8), The California City Airport Industrial Park (Site 10) and The Mojave Airport (Site 11).

Lastly, The City of Palmdale requests that 'Site 1', The Lockheed Martin Aeronautics Project (publically owned) located in Palmdale, be granted "permanent status". This site continues to evolve based on the demands and resources of the region. Activity is projected to grow in the coming years. The permanent status will complement the work underway to expand International business and investment in the region.

The City of Palmdale hereby commits itself to cause the establishment of an electronic interface with the U.S. Customs & Border Protection (CBP) through its automated commercial system, when the specifications and requirements of that interface have been developed and implemented. It is understood that this commitment is applicable to its agents, the existing Zone Operators, and future activations within the General Purpose Zone and Subzone sites.

The City of Palmdale designates ITC – Diligence, Inc., a California Corporation, as its Consultant of record in connection with the Application for Reorganization of Foreign-Trade Zone #191. Any questions or comments regarding this Application for Reorganization should be addressed to David R. Harlow, LCB., ITC – Diligence, Inc., 15350 Stafford Street, Industry, CA 91744, telephone number (626) 333-3822.

Kari Blackburn

Foreign Trade Zone Manager

Part One

Alternative Site Framework Application for Reorganization/Expansion of Existing FTZ

PART ONE: GENERAL INFORMATION

APPLICATION LETTER

1. The core of the application is a letter from the grantee that summarizes the application and transmits the full application (this format with attachments) to the FTZ Board. The letter should summarize the authority being requested, the proposed zone sites and facilities, and how the proposed reorganization/expansion would meet a demonstrated need for FTZ services. If you are proposing to add new sites, they should be discussed specifically in the letter including explaining how they would meet a demonstrated need for FTZ services. The letter should be dated within six (6) months prior to the submission of the application and signed by an authorized officer of the grantee corporation (see Question 11 under "Legal Authority for the Application" below).

Please see attached

PROPOSED SERVICE AREA

- 2. To define the Service Area for your FTZ, name the counties/localities in which you propose to be able to request designation of FTZ sites in the future. Explain how the Service Area complies with:
 - the "adjacency" requirement of the FTZ Board's regulations (within 60 miles or 90 minutes' driving time from the outer limits of your CBP Port of Entry);
 - the state enabling legislation relevant to FTZs; and,
 - the relevant sections of the grantee's charter or organization papers.

Separately, in an attachment called "Service Area Correspondence," please include documentation of support from each county in your proposed Service Area (using the standard language provided in the relevant "Sample Service Area Concurrence Letter" on the FTZ Board web site). Alternatively, you may provide evidence that you have contacted the counties/jurisdictions in the proposed service area (using the standard language provided in the "Sample Service Area Notification letter") by attaching a signed copy of the letter along with evidence of transmittal. If your focus is less broad than a county-wide level, support may instead be documented from the appropriate sub-county jurisdiction(s). Also, if your proposed Service Area includes any partial jurisdiction(s), provide a map(s) clearly showing in red the line dividing the portions of the jurisdiction(s) inside and outside the Service Area. You may also provide an optional map of the proposed Service Area with proposed boundaries outlined in red.

The City of Palmdale has identified its "Service Area" to include portions of Los Angeles County. The "Service Area" is divided by the (Tehachapi Mountain Range) to create a south and north region of the service area.

The "Southern Region" begins at the intersection of Interstate 5 and the 14 Freeway (also called the Antelope Valley Freeway) moving in a North-Westerly direction. The border continues north-west until it reaches Highway 126 (also called Henry Mayo Drive) where it continues west until it intersects with Chiquito Canyon Road.

The border follows it in a northerly direction. At the intersection of Hunstock Street, the border continues east until it reaches the intersection of Del Valle Road as it continues north until it intersects with Haskey Canyon Road to move in an easterly direction again until Interstate 5.

The border then moves south on Interstate 5 until reaching Highway 126 where it now moves in a easterly direction (also called Newhall Ranch Road). As it moves east Newhall Ranch Road turns into Golden Valley Road and intersects with Soledad Canyon Road where the border continues east until it reaches Highway 14. At this point, the border moves in a southerly direction until it intersects with Interstate 5 to complete the service area for the southern region.

The "Northern Region" begins on the south end at the intersection of the 14 Freeway and Sierra Highway. As the border moves north east along Sierra Highway, it eventually turns into Pearblossom Highway and continues east to 87th Street moving north. The border moves north on 87th Street until you reach the intersection of Avenue M. Follow Avenue M west until you meet up with the 14 Freeway. The border then continues south until it meets up with Sierra Highway again to complete the service area for the northern region.

The City of Palmdale will actively promote, educate, activate, and maintain compliance for businesses under the Foreign Trade Zone in all regions of their service area. The term "Service Area" complies with all adjacency requirements (60 miles or 90 minutes) identified by the Foreign Trade Zone Regulations and Customs Regulations. The furthest distance from the port of entry is less than 60 driving miles as required by Los Angeles CBP

FTZ #191 is located at the Port of Entry (2704). It is in close proximity to the Port of Los Angeles, and the Port of Long Beach. Please see attached support letters from local jurisdictions in the county.

The proposed Service Area complies with the Grantee's Charter and the State Enabling Legislation. Please see attached support letters from local jurisdictions in the County. The City Charter is also attached for further consideration.

3. If your zone was not the first FTZ established for your CBP port of entry (entitlement zone), explain why the existing zone(s) is not adequately serving the "convenience of commerce" (needs of potential users) for the proposed service area/proposed expansion sites. (You are welcome to contact the FTZ Staff for guidance on addressing this question.) Cite evidence to support all assertions.

In addition to FTZ #191, the 3 existing zones within the Port of Entry for Los Angeles include: FTZ # 50 (Port of Long Beach), FTZ # 202 (Port of Los Angeles), and FTZ #244 (March Joint Powers Authority). Although FTZ #191 was not the first FTZ established for CBP Port of Entry 2704, Palmdale is unique because its proposed service area does not intersect or overlap the service areas of the other above-mentioned 3 zones. Palmdale's representation of this region is vital for the benefit of economic development for small, medium, and large businesses within this growing manufacturing sector and market. The proposed service area of FTZ #191 will adequately serve the "convenience of commerce" in Northern Los Angeles County with no controversy or competitiveness amongst the other Grantees.

GENERAL JUSTIFICATION FOR REORGANIZATION OR EXPANSION

4. Explain the need for the proposed reorganization or expansion 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 or expanding your FTZ under the ASF ties to local/state/regional economic development plans.

The proposed ASF Reorganization is needed to elevate the Foreign Trade Zone Program in North Los Angeles County. The ASF emphasizes a streamlined approach for existing Grantees to reorganize their zones, which will better serve the International Trade community through an accelerated and flexible designation process.

Currently, there is minimal zone activity within the existing zone boundary, but the ASF Reorganization application complements the region's Economic Development efforts to spur business development, job growth and utilization of the FTZ Program. These efforts include both public and private partnerships engaged in International Trade development.

Projected levels of international trade in North Los Angeles County continue to grow largely due to the city's commitment to the development of activities associated with Foreign Trade. The FTZ Program is a critical link and enhances the ability of the region to leverage programs to better serve the business community engaged in International Trade activities. The ASF reorganization offers an efficient approach to utilize the zone program and provides a value added incentive to attract, retain and expand businesses in North Los Angeles County.

The Minor Boundary Modification process in conjunction with Usage-Driven Sites allow every business, every service provider, and every entity in the Service Area the opportunity to take advantage of the benefits of the program at a minimal cost and within a reasonable time frame. The FTZ Program will become what it was originally envisioned to become, a true benefit for all small, medium, and large businesses to compete in the global marketplace and to create and retain U.S. jobs.

Palmdale outpaced the population increase of other regions in the state and is one of the fastest growing regions in the nation. Palmdale is currently home to nearly 155,000 people and has an area population of over 400,000. Due to the increased volume over the last 10 years, the reorganization becomes more important now than ever. It is important that North Los Angeles County is prepared for this growth and opportunity. The FTZ Program is imperative to handle the growth of import and export businesses that are seeking to establish a global presence in this region.

The reorganization will open the program to the trade in all facets of its service area through automation, consolidated processing, and expedited movement of goods.

This reorganization is vital to the recovery and growth of the local economy. Currently, there are many mid-size Manufacturers and Entrepreneurial Firms engaged in International Commerce in North Los Angeles County.

Expanding industries that will continue to grow with International Trade in North Los Angeles County include electronics / technology, wearing apparel, and final stage Manufacturing. The evolving and expanding Global Economy is reliant on Automation to better control inventory, communication, and distribution. The importations of the Technology Industry and its products have grown exponentially. With the elimination of quota, the expected growth of this industry will expand greatly.

Final stage Manufacturing has created a new niche industry for products that can be turned into finished products with U.S. Labor. It has also created financial and logistical benefits under the auspices of the FTZ Program. FTZ #191 is strategically located for these industries to succeed. The infrastructure has been procured to bring these facets together for an Economic Development reality with the benefit of the FTZ Program.

INFORMATION ON EXISTING ZONE SITES

5. Fill in the table immediately below (adding additional rows, as needed) for your existing sites, including any Subzones that are subject to your zone's activation limit. Here is a description of the information to fill in about each site:

- <u>Site Identification</u> -- This is the site/Subzone 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.
- Basic Description of Site and Address -- This is the site 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.
- Sunset/Time Limit Indicate whether or not the site currently has a sunset or time limit

Site Identification	Basic Description of Site and Address	Acreage within Current Site Boundaries	Current Sunset/ Time Limit (if applicable)
#1	Lockheed Martin Aeronautics Project Palmdale Regional Airport Corner of Sierra Hwy & Ave M Palmdale, CA	800 acres	N/A
# 2	North Los Angeles County and Antelope Valley Business Park Palmdale, CA	87 acres	N/A
#3	Freeway Business Center Palmdale, CA	30 acres	N/A
# 4	Palmdale Trade & Commerce Center Palmdale, CA	70 acres	N/A
# 5	Fairway Business Park Corner of Division St & Ave O Palmdale, CA	118.2 acres	N/A
# 6	Sierra Gateway Center Palmdale, CA	140 acres	N/A
#7	Pacific Business Park Palmdale, CA	15 acres	N/A
# 8	Winnell Industrial Park Palmdale, CA	20 acres	N/A
# 9	Park One Industrial Center Palmdale, CA	33 acres	N/A
# 10	California City Airport Industrial Park California City, CA	40 acres	N/A
# 11	Mojave Airport Mojave, CA	91 acres	N/A
# 12	AMS Fulfillment 29010 Commerce Center Dr Valencia, CA	2.6 acres	N/A

INFORMATION ON NEW OR MODIFIED ZONE SITES (IF APPLICABLE)

- 6. You only need to fill in the table below if there are 1) <u>new</u> sites that you are proposing for your FTZ or 2) <u>existing</u> sites that you propose to <u>modify</u> in any way. All new or modified sites should be included in this table (whether they are proposed for Magnet or Subzone 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 Identification -- 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 Magnet or Usage-Driven site, use new numbers for wholly new sites. For any new Subzone, use a new letter to indicate the proposed Subzone. (If your zone already has designated Subzones, use the next available letter.)
 - Change to Site -- Fill in this field as follows:
 - o If the site being proposed will be entirely new, indicate "New."
 - o If the site already exists in your zone and you are proposing to remove it, indicate "Remove."
 - o If the site already exists in your zone and you propose to retain the site but with modified site boundaries, indicate "Modify."
 - o 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").
 - Basic Description of Site 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 5 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 Identification	Change to Site	Basic Description of Site and Address	Acreage within Proposed Site Boundaries
# 1	Modify	Same as Existing	509.57 acres
# 2	Remove	Same as Existing	0 acres
#3	Remove	Same as Existing	0 acres
# 4	Remove	Same as Existing	0 acres
# 6	Remove	Same as Existing	0 acres
# 7	Remove	Same as Existing	0 acres
# 8	Remove	Same as Existing	0 acres
# 9	Remove	Same as Existing	0 acres
# 10	Remove	Same as Existing	0 acres
# 11	Remove	Same as Existing	0 acres

SUMMARY OF PROPOSED ZONE STRUCTURE

7. In the table below, list all sites (both Magnet and Subzone/Usage-Driven) that you are proposing for inclusion as part of your FTZ under the ASF at this time. (Note that this list will not include any pre-existing Subzone of your zone, unless you have a specific reason to fold such a Subzone into the ASF. Contact the FTZ Staff for guidance on this point, as needed).

Add additional rows to the table, as needed. Here is a description of the basic information you will need to provide about each site:

- <u>Site Identification</u> -- This number or letter associated with a site should match the information you provided in the tables for Questions 5 and 6 above.
- <u>Site Category</u> -- For sites you are retaining or proposing, indicate "Magnet" or "Subzone" 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 5 above. For new or modified sites or Subzones, this figure should match the acreage indicated for the site in the table for Question 6 above.

Site Identification	Site Category	Acreage within Site Boundaries
# 1	Magnet	509.57 acres
# 5	Magnet	118.2 acres
# 12	Usage – Driven	2.6 acres

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

The City of Palmdale plans to remove 816.43 acres through the modification and elimination of existing sites. The decision to make these significant changes is directly related to the reorganization of the new Alternative Site Framework (ASF). This reorganization will give the businesses and land developers flexible opportunities to promote and actively pursue the FTZ Program with greater ease. The Palmdale zone project is extremely vast geographically. The reorganization will allow the Grantee to better control the productivity of the zone project as a whole. The ASF will allow businesses to receive the benefit of the program through a quicker process of a Minor Boundary Modification (MBM) that will take approximately 30-60 days rather than a 12 month process.

The acreage reduction of Site 1, The Lockheed Martin Aeronautics Project, is a result of a recent purchase of portions of the site for private use. The remaining designated acreage is publically owned, and has future plans of realizing FTZ benefits.

- Site 2, The North Los Angeles County and Antelope Valley Business Park is being removed because the land is not available for general purpose development. It will be retained by the city for future expansion.
- Site 3, The Freeway Business Center is being removed due to inactivity.
- Site 4, The Palmdale Trade & Commerce Center is being removed due to the lack of development in the area.
- Site 6, The Sierra Gateway Center is being removed due to inactivity.
- Site 7, The Pacific Business Park is being removed due to inactivity.
- Site 8, The Winnell Industrial Park is being removed due to inactivity.
- Site 10, The California City Airport Industrial Park is being removed due to the lack of development in the area.
- Site 11, the Mojave Airport is being removed due to inactivity.
- 9. For any current and future sites (including Subzones) of your zone, confirm that you commit to working with U.S. Customs and Border Protection (CBP), as appropriate, to meet current and future CBP automated-systems requirements (such as ACE) and to meet any CBP security requirements related to activation?
 - FTZ #191 is committed to the CBP automated-system enhancements and requirements to better utilize its resources as well as create efficiencies for activated zone users. The Grantee will encourage the use of automated systems for all current and future sites of FTZ #191, through software programs such as the Automated Commercial System (ACS), the Automated Commercial Environment (ACE) and the Automated Broker Interface (ABI).

OTHER REQUESTS (OPTIONAL)

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)).

- 10. 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 a possible exemption from the sunset limits for one Magnet site. If you would like to request an exemption from the sunset limits 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 city of Palmdale requests Site 1, The Lockheed Martin Aeronautics Project, to be designated as a permanent site with no sunset limit. Site 1 is a very large economic development project. This property continues to evolve based on the demands and resources of North Los Angeles County. This site is located on public property and was fully vetted as an FTZ location in support of the General-Purpose Zone. The Reorganization and permanent status of Site 1 will complement the work underway in the commitment to expand international business and investment in the region.

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.

Not Applicable

LEGAL AUTHORITY FOR THE APPLICATION

- 11. In an attachment called "Legal Authority for Application," provide the following documents:
 - a. a current copy of the state enabling legislation regarding FTZs.
 - b. a copy of the relevant sections of the grantee's charter or organization papers. For non-public grantees, also provide evidence of the organization's current legal standing with the state. This can include a letter or documentation from an appropriate state official or from the state's official website.
 - c. a certified copy of a resolution of the applicant's governing body specific to the application authorizing the official signing the application letter. The resolution must be dated no more than six (6) months prior to the submission of the application. The resolution should indicate the nature of the application.

Please see attached documents.

Part One

Service Area Correspondence



PALMDALE

a place to call home

May 21, 2015

JAMES C. LEDFORD. JR.

MIKE DISPENZA Mayor Pro Tem

STEVEN D. HOFBAUER
Councilmember

ROXANA MARTINEZ

Councilmember

FREDERICK THOMPSON

Councilmember

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TDD: 661/267-5167

Sean Rogan, Executive Director Los Angeles County Community Development Commission 2 Coral Circle Monterey Park, CA. 91755

Mr. Rogan:

This letter is intended to provide information to you pertaining to the City of Palmdale's application to the U.S. Foreign-Trade Zones (FTZ) Board for authority to use a new procedure (the "Alternative Site Framework") to provide quick and simple access to FTZ service for companies in our region. Our organization is the Grantee of FTZ #191, and currently sponsors a limited number of FTZ sites in our region. The authority we are requesting from the FTZ Board would enable us to quickly bring FTZ designation to any company within our proposed "service area." Our proposed service area includes Los Angeles County.

FTZ designation can provide companies with customs duty savings and logistical benefits that can help encourage them to establish or maintain operations in the U.S. As such, access to FTZ benefits can be an important tool in economic development efforts. If the FTZ Board approves our application, The City of Palmdale will be able to bring FTZ designation to companies anywhere in the proposed service area based on those companies' trade related needs. We also note that FTZ access will be made available on a uniform basis to companies across the service area, in a manner consistent with the legal requirement that each FTZ be operated as a public utility.

If you have questions about the City of Palmdale's application to the FTZ Board, please contact me at (661) 267-5125. If you have comments you would like the FTZ Board to consider regarding the proposed inclusion of Los Angeles County in the proposed service area of FTZ #191, please provide your comments to the staff of the FTZ Board by June 21, 2015. The FTZ Board staff also welcomes any questions you may have – the staff can be reached at 202.482.2862 or ftz@trade.gov.

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Best Regards,

Kari Blackburn,

Foreign Trade Zone Manager

www.cityofpalmdale.org



PALMDALE

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JAMES C. LEDFORD, JR.

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Corde' Carrillo, Director Los Angeles County Community Development Commission 2 Coral Circle Monterey Park, CA. 91755

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Best Regards,

Kari Blackburn

Foreign Trade Zone Manager

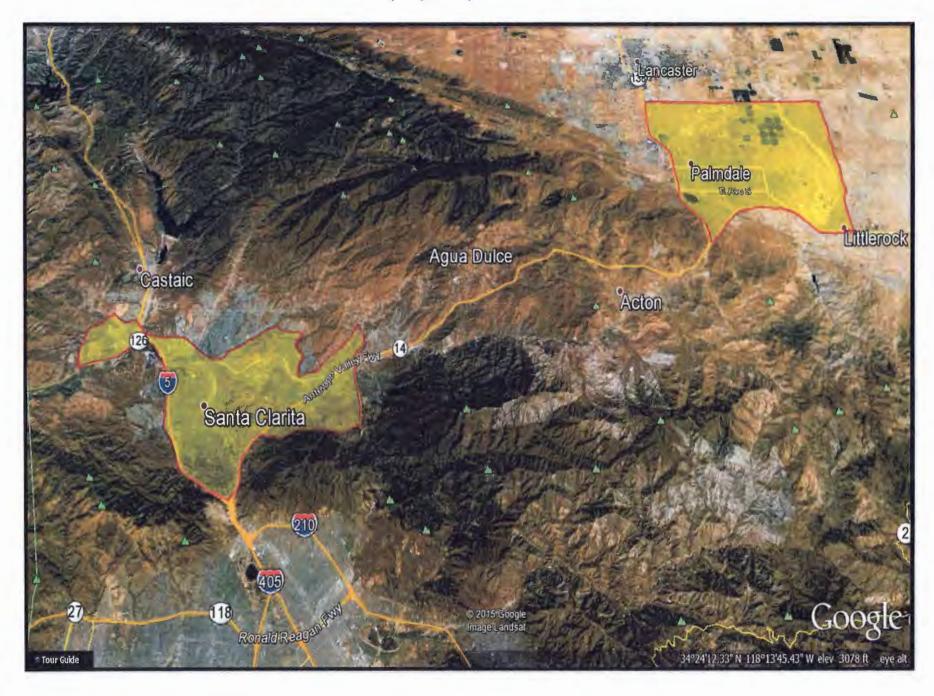
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SENDER, COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X
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Part One

Service Area Map

FTZ #191 - Map of Proposed Service Area



Part One

Legal Authority for Application

State Enabling Legislation



PALMDALE

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May 27, 2015

JAMES C. LEDFORD, JR.

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

RE: Section 400.24(d)(1)(i) – FTZ Board Regulation Requirement

Dear Mr. McGilvray,

Washington, DC 20230

I, Kari Blackburn, Grantee representative of the City of Palmdale, California, do hereby certify that the attached is a current, true and relevant copy of the State Enabling Legislation of the State of California and is in full force and effect as of the submission date of the Alternative Site Framework application to the Foreign Trade Zone Board.

Respectfully.

Kari Blackburn

Foreign Trade Zone Manager

City of Palmdale

Auxiliary aids provided for

communication accessibility

upon 72 hours notice and request.

GOVERNMENT CODE SECTION 6300-6305

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.

6305. If authorized to establish, operate and maintain a foreign trade zone, a public corporation may, in addition to its other powers:

- (a) Provide for such indemnity or assurance to the United States or its agencies as they may request.
- (b) Deposit such sums of money with the United States as the United States or its agencies may request, providing such money is available therefor by direct appropriation or otherwise.

Part One

Legal Authority for Application

Grantee's Charter



CITY CLERK'S

CERTIFICATION, AUTHENTICATION and ATTEST

OF THE

CHARTER OF THE CITY OF PALMDALE, CALIFORNIA 2009

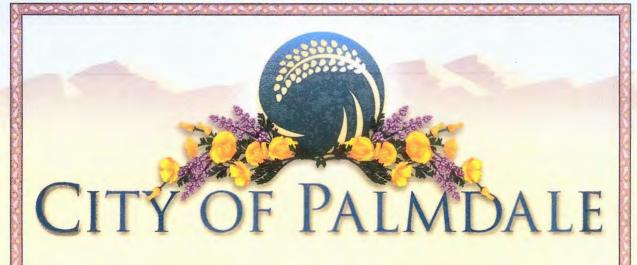
I, Victoria L. Hancock, CMC, City Clerk of the City of Palmdale, State of California, do hereby certify, authenticate and attest as follows:

The attached Charter of the City of Palmdale, California is a full, true and correct copy of the Charter of the City of Palmdale 2009, which was adopted by a majority of the voters at a General Municipal Election, held on November 3, 2009.

I further certify, authenticate and attest as follows that I have carefully compared the same with the original on file and of record in my office and that said attachment is a full, true, and correct copy of the original signed Charter of the City of Palmdale, California 2009.

Witness my hand and the seal of the City of Palmdale this 18th day of January 2010.

Victoria L. Hancock, CMC
City Clerk



Charter of the City of Palmdale, California 2009

PREAMBLE

WE THE PEOPLE of the City of Palmdale declare our intent to restore to our community the historic principles of self-governance inherent in the doctrine of home-rule. Sincerely committed to the belief that local government has the closest affinity to the people governed, and firm in the conviction that the economic and fiscal independence of our local government will better serve and promote the health, safety and welfare of all the citizens of this City, we do hereby exercise the express right granted by the Constitution of the State of California to enact and adopt this Charter for the City of Palmdale.

PASSED, APPROVED and ADOPTED by the voters at the general municipal election of November 3, 2009.

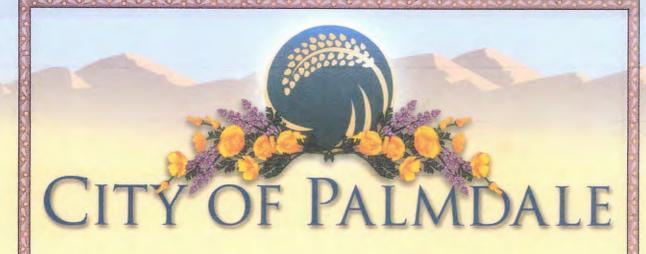
lames C. Ledford, Jr., Mayor

Steven D. Hofbauer, Mayor Pro Tem

Laura Bettencourt, Councilmember

Mike Dispenza, Councilmember

Tom Lackey, Councilmember



Charter of the City of Palmdale, California 2009

PREAMBLE

WE THE PEOPLE of the City of Palmdale declare our intent to restore to our community the historic principles of self-governance inherent in the doctrine of home-rule. Sincerely committed to the belief that local government has the closest affinity to the people governed, and firm in the conviction that the economic and fiscal independence of our local government will better serve and promote the health, safety and welfare of all the citizens of this City, we do hereby exercise the express right granted by the Constitution of the State of California to enact and adopt this Charter for the City of Palmdale.

ARTICLE 1. MUNICIPAL AFFAIRS

Section 100. Powers of City.

The City shall have full power and authority to adopt, make, exercise and enforce all legislation, laws and regulations and to take all actions relating to municipal affairs, without limitation, which may be lawfully adopted, made, exercised, taken or enforced under the Constitution of the State of California.

Section 101. Municipal Affairs; Generally.

Without limiting in any manner the foregoing power and authority, each of the matters set forth in this Charter are declared to be municipal affairs, consistent with the laws of the State of California. The implementation of each matter uniquely benefits the citizens of the City of Palmdale and addresses peculiarly local concerns within the City of Palmdale. The municipal affairs set forth in this Charter are not intended to be an exclusive list of municipal affairs over which the City Council may govern.

Section 102, General Law Powers

In addition to the power and authority granted by the terms of this Charter and the Constitution of the State of California, the City shall have the power and authority to adopt, make, exercise and enforce all legislation, laws and regulations and to take all actions and to exercise any and all rights, powers, and privileges heretofore or hereafter established, granted or prescribed by any law of the State of California or by any other lawful authority. In the event of any conflict between the provisions of this Charter and the provisions of the general laws of the State of California, the provisions of this Charter shall control.



Section 103. Incorporation and Succession.

The City shall continue to be a municipal corporation known as the City of Palmdale. The boundaries of the City of Palmdale shall continue as now established until changed in the manner authorized by law. The City shall remain vested with and shall continue to own, have, possess, control and enjoy all property rights and rights of action of every nature and description owned, had, possessed, controlled or enjoyed by it at the time this Charter takes effect, and is hereby declared to be the successor of same. It shall be subject to all debts, obligations and liabilities, which exist against the City at the time this Charter takes effect. All lawful ordinances, resolutions, rules and regulations, or portions thereof, in force at the time this Charter takes effect and not in conflict with or inconsistent herewith, are hereby continued in force until the same have been duly repealed, amended, changed or superseded by proper authority.

ARTICLE 2. FORM OF GOVERNMENT

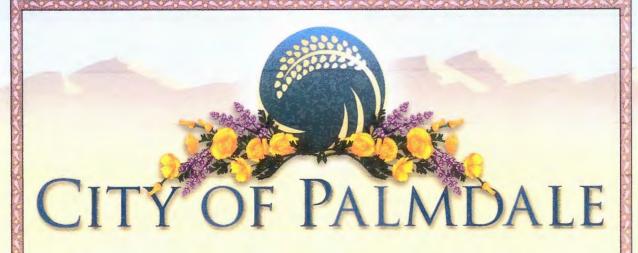
Section 200. Council-Manager Form of Government.

The municipal government established by this Charter shall be the "Council-Manager" form of government, under which the City Council sets policy and the City Manager will carry out that policy.

ARTICLE 3. FISCAL MATTERS

Section 300. Public Works Contracts.

Except as provided by City ordinance or by agreement approved by the City Council, the City of Palmdale, as a Charter City, is exempt from the provisions of the California Public Contracts Code and from the provisions of any other California statute regulating public contracting and purchasing. The City shall have the power to establish standards, procedures, rules or regulations to regulate all aspects of the bidding, award, contract provisions and requirements and performance of any public works contract, including, but not limited to, the compensation rates to be paid for the performance of such work. The City shall have the power to accept gifts and donations, including donations of material and labor, in the construction of any public works project. The City shall have the power to perform any work of improvement by use of its own forces and is not required to contract for the construction of works of public improvement. The City may also contract with other public agencies for the construction of works of public improvement.



Section 301. Prevailing Wages.

The provisions of California Labor Code Section 1770 et. Seq. regarding the payment of prevailing wages on public works and related regulations as now existing and as may be amended, are accepted, reaffirmed and made applicable to the City.

Section 302. Purchasing.

The City shall have the power to establish standards, procedures, rules or regulations related to the purchasing of goods, property, or services.

Section 303. Public Financing.

The City shall have the power to establish standards, procedures, rules or regulations related to any public financing.

Section 304. Utilities and Utility Franchises.

The City shall have the power to own, acquire, develop, and/or operate any utility, and to adopt any ordinance providing for the granting of a franchise to any utility not owned by the City that proposes to use or is using City streets, highways or other rights-of-way.

Section 305. Enterprises.

The City shall have the power to lawfully engage in any enterprise deemed necessary to provide revenues for the general fund or any other fund established by the City Council.

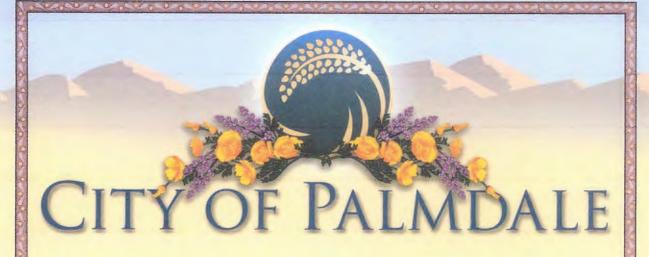
ARTICLE 4. REVENUE RETENTION

Section 400. Reductions Prohibited.

All revenues due to, and raised by the City, shall remain within the City of Palmdale for appropriation solely by the City Council. No such revenue shall be subject to subtraction, retention, attachment, withdrawal or any other form of involuntary reduction by any other level of government.

Section 401. Mandates Limited.

No person, whether elected or appointed, acting on behalf of the City, shall be required to implement or give effect to any function which is mandated by any other level of government, unless and until funds sufficient for the performance of such function are provided by such mandating authority.



ARTICLE 5. LAND USE REGULATION

Section 500. Local Control of Land Use.

The citizens of Palmdale recognize and declare that managing land use and development within the City of Palmdale and ensuring that necessary public facilities are provided to the citizens of the City of Palmdale are quintessential elements of local control and therefore are municipal affairs. The adoption of this Charter recognizes and reaffirms the principles of local land use management and control and affirms the principle that City of Palmdale local land use regulations may be superior to and take precedence over any conflicting general laws of the State of California. The intent of this Charter is to allow the City Council and the voters to exercise the maximum degree of control over land use matters within the City of Palmdale.

ARTICLE 6. ELECTIONS

Section 600. Elections.

The City shall have the power to adopt ordinances establishing procedures, rules or regulations concerning City of Palmdale elections and public officials, including but not limited to, the qualifications and compensation of elected officials, the method, time and requirements to hold elections, to fill vacant offices and for voting by mail. Unless in conflict with ordinances adopted by the City, state law regarding elections shall apply.

ARTICLE 7. FINES AND PENALTIES FOR VIOLATIONS OF CITY ORDINANCES

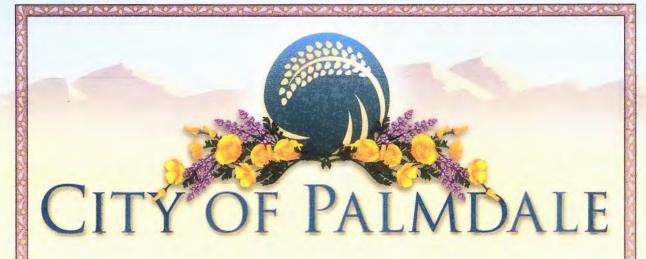
Section 700. Fines and Penalties.

The City shall have the power to adopt ordinances establishing penalties, fines and forfeitures for violations of the provisions of the Palmdale Municipal Code.

ARTICLE 8. AMENDMENT

Section 800. Amendment to Charter, Revision or Repeal.

This Charter and any of its provisions may be amended by a majority vote of the electors voting on the question. Amendment, revision or repeal may be proposed by initiative or by the governing body, provided, however, that any such amendment or repeal proposed by the governing body, must be voted on at an election held in November, unless the proposed measure is approved by at least four members of the City Council at a regularly scheduled meeting, in which case, the measure may be voted on at a special or any other municipal election.



ARTICLE 9. INTERPRETATION

Section 900. Construction and Interpretation.

The language contained in this Charter is intended to be permissive rather than exclusive or limiting and shall be liberally and broadly construed in favor of the exercise by the City of its power to govern with respect to any matter that is a municipal affair.

Section 901. Severability.

If any provision of this Charter should be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law.

PASSED, APPROVED and ADOPTED by the voters at the general municipal election of November 3, 2009.

James C. Ledford, Jr., Mayor

Steven D. Hofbauer, Mayor Pro Tem

Mike Dispenza, Councilmember

Laura Bettencourt, Councilmember

Tom Lackey, Councilmember



Part One

Legal Authority for Application

Certified Resolution



CITY COUNCIL

CLERK'S CERTIFICATE

I, Rebecca J. Smith, City Clerk of the City of Palmdale, State of California, do hereby certify as follows:

The attached is a full, true, and correct copy of Resolution No. CC 2015-125 adopted at the Regular Meeting of the City Council of the City of Palmdale duly held at the regular meeting place thereof, on October 7, 2015, at which meeting all of the members of said City Council had due notice and at which a majority thereof was present.

I further certify that I have carefully compared the same with the original Resolution No. CC 2015-125 on file and of record in my office and that said Resolution No. CC 2015-125 is a full, true, and correct copy of the original Resolution No. CC 2015-125 adopted at said meeting.

At said meeting, Resolution No. CC 2015-125 was adopted by the following vote:

AYES:

Mayor Pro Tem Dispenza, and Councilmembers

Hofbauer, Thompson, and Martinez

NOES:

None

ABSTAIN: None

ABSENT: Mayor Ledford

WITNESS my hand and the seal of the City of Palmdale this 8th day of October 2015.

Rebecca J. Smith

ity Clerk

JAMES C. LEDFORD, JR.

MIKE DISPENZA Mayor Pro Tem

STEVEN D. HOFBAUER
Councilmember

ROXANA MARTINEZ

Councilmember

FREDERICK THOMPSON
Councilmember

38300 Sierra Highway

Palmdale, CA 93550-4798

Tel: 661/267-5100

Fax: 661/267-5122

TDD: 661/267-5167

Auxiliary aids provided for

communication accessibility

upon 72 hours notice and request.

CITY COUNCIL

CITY OF PALMDALE, CALIFORNIA

RESOLUTION NO. CC 2015 - 125

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
AUTHORIZING SUBMISSION OF AN APPLICATION TO REORGANIZE GENERALPURPOSE FOREIGN TRADE ZONE NO. 191 TO THE FOREIGN-TRADE ZONES
BOARD UNDER THE ALTERNATIVE SITE FRAMEWORK

WHEREAS, the Foreign Trade Zone Act of 1934 provides for the establishment, operation and maintenance of Foreign Trade Zones to expedite and encourage foreign commerce in ports of entry of the United States; and

WHEREAS, the City of Palmdale submitted an application to the US Department of Commerce Foreign Trade Zones Board and received designation as Foreign Trade Zone No. 191 on January 15, 1993 by the Foreign Trade Zones Board; and

WHEREAS, the City serves as the Grantee of Foreign Trade Zone No. 191 and seeks authorization from the Foreign Trade Zones Board of the United States Department of Commerce to operate under the Alternative Site Designation and Management Framework, pursuant to Title 19, United States Code; and

WHEREAS, operating Foreign Trade Zone No. 191 within the Alternative Site Designation and Management Framework will increase efficiency and allow flexibility in working with new businesses to encourage international business activities, employment opportunities and investment in Palmdale and its Foreign Trade Zone service area.

THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City of Palmdale approves the submission of the Alternative Site Designation and Management Framework application for Foreign Trade Zone No. 191 to the Foreign Trade Zones Board to restructure the Grantee Service Area, eliminate 816.43 acres of designated acreage, and define new productive acreage in Palmdale and portions of Los Angeles County as outlined in said application.

Alternative Site Framework Application for Reorganization/Expansion of Existing FTZ

PART TWO: SITE-SPECIFIC INFORMATION FOR SUBZONES OR USAGE-DRIVEN SITES (if applicable)

• Maintain Existing Site Boundaries: For an existing site that you are proposing either Subzone or 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 1 through 5 below.

QUESTIONS

- 1. Indicate the site identification: <u>Site 12 (twelve)</u>. This letter/number should tie to your site tables in Questions 6 and 7 in Part One of the application.
- 2. 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.

The address of Site 12 is 29010 Commerce Center Drive, Valencia, California, 91355. Site 12 is located in the city of Santa Clarita, County of Los Angeles and State of California.

- 3. List the site's proposed acreage **2.6 acres**.
- 4. If applicable, describe how the site relates to any existing site (permanent or temporary) and explain the circumstances.

Not Applicable

5. Indicate the company for which the site will be designated and the company's planned activities (for example, distribution or production activities and the types of products involved).

Advantage Media Services, Inc. (AMS Fulfillment) is a third party resource for Warehouse Management, Order Management and Fulfillment Services. AMS Fulfillment intends to hold dutiable inventory for substantial periods of time in their distribution facility. Allowing the duty to be deferred until the merchandise is removed for delivery, the elimination of duty through exportation, along with other zone benefits, will provide generous savings. AMS Fulfillment anticipates a substantial increase in business over the next year and plans to hire several new employees. The anticipated zone benefits are a significant factor in their business plans.

Part Four

Site #1: Lockheed Martin Aeronautics Project

Reduction of Existing Site Boundaries

Alternative Site Framework Application for Reorganization/Expansion of Existing FTZ

PART FOUR: SITE-SPECIFIC INFORMATION FOR NEW/EXPANDED/MODIFIED MAGNET SITES (if applicable)

This section should be filled out <u>separately</u> for each new site and each site for which you propose expanded boundary(ies). Attach any documents needed for Questions 14 and 15 (and 16, if applicable) directly behind the copy of this section for each site.

Different portions of Part Four will need to be completed depending on the situation:

Reduce Existing Site Boundary(ies): For an existing site that your 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 1 through 4 plus provide an updated site map as detailed in Question 14 below.

QUESTIONS

- 1. Indicate the site's distinct identifying number: **Site 1 (one)**. This number must tie to your site tables in Questions 6 and 7 in Part One of the application.
- 2. List the site's address, including the jurisdiction in which the site falls (town, city, county):

There is no physical address for this site, however, it is located on the corner of Avenue M and Sierra Highway in Palmdale, California.

- 3. List the total acreage within the proposed site's boundaries: **509.57 acres**.
- 4. If applicable, describe how the site relates to any existing site (permanent or temporary) and explain the circumstances.

The acreage reduction of existing Magnet Site 1, The Lockheed Martin Aeronautics Project, is proposed as a result of a recent purchase of portions of the site for private use. The remaining acreage is publically owned and has future plans of realizing FTZ benefits.

Attach each of the documents listed below (Items 14).

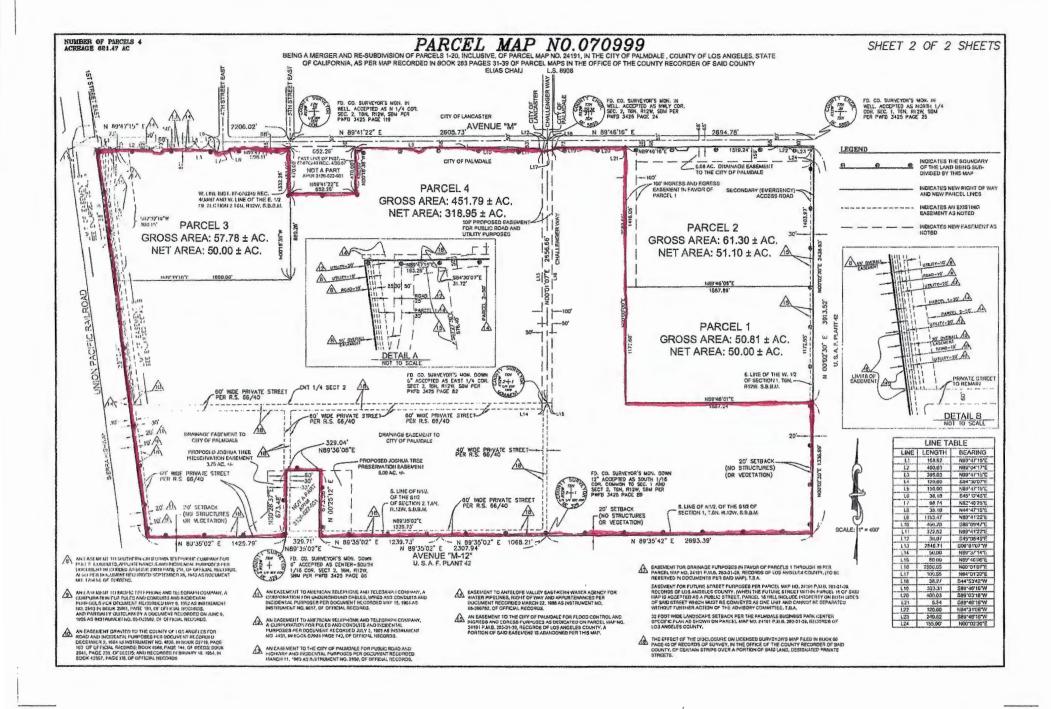
14. A clear and detailed site map showing existing and planned structures. The site boundaries must be outlined clearly <u>in red</u>. Note that if streets or similar landmarks are not legible on the site map, you will also need to provide a detailed street map with the proposed site's boundaries <u>in red</u>. Any map should be no larger than letter-sized (8 ½" x 11") and clearly labeled, with legends provided for any markings.

Please see attached.

Part Four

Lockheed Martin Aeronautics Project

Site Plan



Part Four

Lockheed Martin Aeronautics Project

Street Map

Street Map of Existing Site #1

